84TH CONGRESS
1ST SESSION

H. R. 7071

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1955

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To extend the Defense Production Act of 1950, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717 (a) of the Defense Production Act of 1950, as amended, is hereby amended by striking "July 31, 1955" and inserting "

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84TH CONGRESS
1ST SESSION

H. R. 7071

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To extend the Defense Production Act of 1950, as amended.

By Mr. SPENCE

JUNE 28, 1955

Referred to the Committee on Banking and Currency

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 1, 1955
For actions of June 30, 1955
84th-1st, No. 111

CONTENTS

HIGHLIGHTS: Both Houses passed bill to provide temporary appropriations (including ACP item) and to provide for increased pay costs. House passed mutual security bill. Both Houses received Hoover Commission reports on water resources and power, paperwork management, Pt. 2, and final report. Senate committee reported bill to extend Defense Production Act. Senate passed bill to extend public debt limit. House received conference report on State, Justice appropriation bill.

HOUSE

1. APPROPRIATIONS. Both Houses passed H. J. Res 366, to authorize transfer of unobligated balances as of June 30, 1955, for retroactive 1955 costs of the Federal Employees Salary Increase Act of 1955, to make indefinite appropriations for this purpose to the extent that the unobligated balances are insufficient, and to provide temporary appropriations for those agencies for which the 1956 appropriations have not yet been enacted (pp. 8202-3, 8240-1). This measure is now ready for the President.

Both Houses agreed to the conference report on H. R. 6042, the Defense Department appropriation bill (pp. 8154-5, 8212-8). This bill is now ready for the President.

Both Houses agreed to the conference report on H. R. 6239, the D. C. appropriation bill (pp. 8151-6, 8218). This bill is now ready for the President.

Received the conference report on H. R. 5502, the State, Justice, and Judiciary appropriation bill (H. Rept. 1043) (pp. 8276-8).

2. FOREIGN AID. Passed with amendments S. 2090, the mutual security aid bill (pp. 8218-39, 8242-75). Agreed to an amendment by Rep. Vorys to provide that the sense of Congress shall be that loans should be made rather than grants

wherever possible in the foreign assistance program (pp. 8270-1). By a vote of 181 to 51, agreed to an amendment by Rep. Bonner to delete language exempting the shipping of surplus agricultural commodities from the requirement that at least fifty percent must be shipped in American ships (pp. 8256-65). The committee amendment to exempt Public Law 480 shipments from this requirement was ruled out of order (as not being germane) on a point of order raised by Rep. Mills (p. 8272). House conferees were appointed. Senate conferees have not yet been appointed. (pp. 8218-39, 8242-75).

3. WATER RESOURCES. Both Houses received the Hoover Commission report on water resources and power (H. Doc. 208) (pp. 8156-7, 8287).

4. PAPERWORK. Both Houses received the Hoover Commission report on paperwork management (H. Doc. 207) (pp. 8156, 8287).

5. ORGANIZATION. Both Houses received the final report of the Hoover Commission (H. Doc. 209) (pp. 8157, 8287).

6. FORESTS. Rep. Johnson, Wis., inserted several resolutions adopted by the Western Association of State Game and Fish Commissioners urging consideration of funds for revegetating the western ranges with browse species ; funds for recreational facilities in national forests; regulation of forest-mining procedures; management of game on Federal lands; protesting the disposal of Bankhead-Jones lands; public ownership of forest lands in Arizona; and regulation of water resources and power sites in Western States (pp. 8279-80).

7. WILDLIFE. Rep. Johnson, Wis., inserted several resolutions adopted by the Western Association of State Game and Fish Commissioners urging consideration of H. R. 6502, which would allocate certain funds for Federal aid to States for wildlife preservation (p. 8279).

8. FINANCE. Rep. Patman inserted several newspaper articles relating to credit activities controlled by the Federal Treasury and suggested that the Treasury's measures were to the detriment of the farmer (pp. 8282-6).

9. INFORMATION. Received a draft of proposed legislation from the United States Information Agency to amend the United States Information and Educational Exchange Act of 1948 (p. 8287).

SENATE

10. DEFENSE PRODUCTION. The Banking and Currency Committee reported with amendments S. 2391, to extend the Defense Production Act for 2 years (S. Rept. 696) (p. 8159).

11. PUBLIC WORKS. The Armed Services Committee reported with amendment H. R. 6829, to authorize certain construction at military, naval, and Air Force installations, which includes a revision of the provision for financing certain military housing in foreign countries through the furnishing of surplus agricultural commodities (S. Rept. 694) (p. 8159). This bill was made the unfinished business (p. 8207).

12. PERSONNEL. Passed as reported H. R. 5560, to make permanent the existing privilege of free importation of personal and household effects brought into the U. S. under Government orders (pp. 8176-7). Later in the day the House agreed to the Senate amendments (pp. 8241-2). This bill will now be sent to the President.

Calendar No. 700

84TH CONGRESS, 1st Session | SENATE | REPORT No. 696

DEFENSE PRODUCTION ACT AMENDMENTS OF 1953

JUNE 30, 1955.—Ordered to be printed

Mr. FREAR, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 2391]

The Committee on Banking and Currency, having considered the same, report favorably a committee bill (S. 2391) to extend and amend the Defense Production Act of 1950, as amended, and recommend that the bill do pass.

GENERAL STATEMENT

The Defense Production Act of 1950 is the basic statute giving authority to the President to mobilize the industrial capacity of the country to resist aggression. As enacted in 1950, it contained 7 titles, dealing with Allocations and Priorities, Authority to Requisition, Expansion of Productive Capacity and Supply, Price and Wage Stabilization, Control of Consumer and Real Estate Credit, and General Provisions.

Through the exercise of the powers conferred by the act, the armed strength of the United States and the free world have been increased greatly. And through increases in productive capacity and supply, combined with leveling off of the mobilization program, supply and demand for most materials were considered to be in sufficiently close balance by 1953 so as to make possible termination of those parts of the act dealing with stabilization, and reduce the exercise of the allocation and priority powers to limited assistance for the military and related programs.

Even though the mobilization program has leveled off, the demands of the program will continue to be great for an indefinite time in the future. No extended discussion or statistical presentation is necessary to demonstrate that the current military program will continue to have a major impact upon the economy.

In addition, the world situation requires that the United States should be prepared at any time to convert immediately to full mobilization, at least until the indications of improvement become far more definite and reliable.

Accordingly, your committee has concluded that it is necessary to continue in force for 2 more years most of the powers now contained in the Defense Production Act.

These remaining powers are Title I: Allocations and Priorities; Title III: Expansion of Productive Capacity and Supply; and Title VII: General Provisions.

Hearings were held on June 21, 22, and 27, 1955, during which testimony and statements were received from Government agencies and private groups concerned with defense production. The principal agency recommendations presented to the committee were adopted, with two important exceptions:

(1) The agency recommendation for a 2-year extension of the present exemption from the antitrust laws was granted only in part, and the agency recommendation for a 20-year extension of the exemption beyond the expiration of the act was not granted.

(2) The agency recommendation for continued use of industry-paid employees in governmental policy positions, with exemption from the conflict-of-interest statutes, was not granted.

During the hearings consideration was given to the problem facing very small areas with a high degree of unemployment. Under the provisions of Defense Manpower Policy No. 4, the share of procurements for which firms in such areas may bid is reduced by the set-aside for surplus labor areas, but these firms cannot participate in the set-aside because the area is below the minimum size which the Labor Department will classify. This situation was brought to the attention of the Office of Defense Mobilization, and that Office has proposed an amendment to cure this injustice. The committee expects a prompt report on the steps taken to remedy the situation.

DECLARATION OF POLICY

Section 2 of the bill amends the declaration of policy (sec. 2 of the act) to include a specific congressional finding that the mobilization program requires the development of preparedness programs and the expansion of productive capacity and supply beyond the level needed to meet the civilian demand, in order to make possible speedy conversion to full mobilization in the event of attack on the United States.

This is not a fundamental change in the policy of the act; it is merely an increase in the emphasis placed on the planning for possible future full mobilization.

It is expected that this change in emphasis will bring about more intensive efforts to eliminate the remaining bottlenecks to the achievement of productive capacity more nearly adequate for full mobilization; to reach the stockpile goals for strategic and critical metals and minerals; to expand productive facilities—both plants and long lead time machine tools and productive equipment—even though they may remain in standby condition for the time being; and to procure, and if need be stockpile, long lead time components such as turbines and gears.

EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

Section 3 of the bill extends the terminal date of the long-term contracting authority in section 303 of the act necessary to encourage producers of strategic and critical materials to undertake exploration and development and to enter into production. The 2-year extension is consistent with the 2-year extension of the act as a whole.

Section 3 of the bill also adds a new subsection 303 (g), which would authorize the development of substitutes for strategic and critical materials. This authority is implicit in the act as it now stands, but it is desirable to spell this authority out specifically. Such authority would be particularly helpful in those cases where a strategic and critical material is not found or cannot be produced in this country.

This authority will not be used except where there is or is expected to be a substantial shortage of the material or commodity for which a substitute is sought. The committee expects, of course, that the Office of Defense Mobilization, before exercising this authority, will consult with the agencies interested in and responsible for any agricultural commodity or other material for which a substitute is sought, in order to determine whether there is or will be substantial shortage of the commodity or material in question.

There is danger that the concerns selected to develop substitute materials with Government funds may obtain an unfair competitive advantage over other concerns. Accordingly the committee expects the Office of Defense Mobilization and other agencies acting under this authority to make appropriate provisions in research and development contracts to insure that the products and processes developed will be available to the Government, and where appropriate, to the public generally.

In the course of the hearings on the bill, information was developed about the problems which have arisen in connection with the aluminum, nickel, and copper programs being carried out under title III of the act. While no legislative action in connection with those programs appears appropriate at the moment, the committee expects the agencies involved to keep the Joint Committee on Defense Production fully informed of all developments in these programs, so that any necessary legislative action may be taken promptly.

Title III of the act has made possible many major accomplishments in the maintenance of a strong mobilization base. These include the acquisition of materials for the stockpile of strategic and critical materials, the increased production of essential materials for military and civilian use, and the stimulation and maintenance of many industries, particularly in the field of mining. These programs should continue, so far as necessary in the interests of the national security, as an important part of the mobilization program authorized under the Defense Production Act. The committee expects to be promptly advised when any changes in this title of the act are considered necessary in the interests of national defense.

ALLOCATIONS IN THE CIVILIAN MARKET

Section 4 of the bill revises subsection 701 (c) of the Defense Production Act. That subsection contains standards for allocating materials in the civilian market, in general requiring the use of a

base period representative of normal conditions. The provision has no effect at the present time because there are no such allocations. However, if such allocations were put into effect, the provision would become of major importance.

The bill revises the existing provision in four respects.

1. In the case of materials under allocation in the civilian market on July 1, 1953, subsection 701 (c) now requires that the base period precede June 24, 1950, with adjustments to reflect changed competitive positions, the requirements of new concerns and newly acquired operations.

A few materials were under such controls on July 1, 1953. These controls were terminated later in 1953, and the materials have now been subject to normal competitive market conditions for almost 2 years. If these materials were again allocated, a base period before June 24, 1950, would be required.

While the provision was appropriate when enacted in 1953 at the end of a period of extensive controls, the existence of a substantial period of normal competitive conditions from late 1953 to the present makes this provision obsolete.

Accordingly, the bill eliminates this requirement.

2. In the case of materials not under allocation in the civilian market on July 1, 1953, subsection 701 (c) now requires the use of a representative base period following June 30, 1953. Here again, the selection of a fixed date now appears inappropriate. The bill eliminates the reference to June 30, 1953.

During most of the period since June 30, 1953, there were no allocations in the civilian market. This period provides the administrator of the allocation authority an ample area from which to select a representative base period when the distribution of the material in the market was on the basis of normal competitive factors, uninfluenced by Government controls.

At the same time, however, the administrator could, under the amendment, select a period before June 30, 1953, in the unlikely but still possible event that no period could be selected after that date when the market distribution of the material was based upon such normal competitive factors.

The committee expects that the administrator exercising the allocation authority in the civilian market would select the most recent period representative of such normal competitive conditions.

The purpose of eliminating the specific dates, June 24, 1950, June 30, 1953, and July 1, 1953, was to give the administrator freedom to use sound discretion in selecting a base period representative of competitive market conditions and to eliminate mandatory requirements based on fixed dates no longer appropriate.

3. Subsection 701 (c) now provides for adjustments in allocations in the civilian market, subsequent to the imposition of the allocation, to reflect changes in the current competitive positions not resulting from Government controls.

The bill eliminates this provision and instead requires that a business receive its fair share based on a representative period before the imposition of the allocation.

It would be a most exceptional case where changes in competitive conditions during the exercise of the allocation power in the civilian market could be shown to have resulted from competitive conditions rather than from Government controls. If such a change should

occur, to an extent which would make it unfair to follow the shares received during the base period, the proposed section would not require the administrator of the allocation authority to give an unfair share to a concern not making use of all the materials allocated to it.

4. The bill authorizes the administrator of the allocation authority to adjust the distribution of the material after the base period in order to give due consideration to the need of new concerns and newly acquired operations. In addition, it specifically requires consideration of undue hardships of individual businesses and the needs of smaller concerns in an industry.

SHARE OF SMALL BUSINESS IN PROCUREMENT

Section 5 of the bill inserts a new section in the act requiring ODM to study the share of procurement going to small business and to submit a report with recommendations of action to increase this share.

The amount and the share of procurement going to small business, directly or by subcontract, has been declining.

The Small Business Administration report dated January 31, 1955, shows that prime contract awards to small business decreased from $7.1 billion in fiscal 1952 to $4.6 billion in fiscal 1953 and $3.1 billion in fiscal 1954 (total prime contract awards were $41.2, $28.6, and $16.8 billion in those years). Small business' share of prime contract awards fell from an average of 18.7 percent for the years 1951 through 1954 to 18.3 percent in fiscal 1954, and in the first 5 months of fiscal 1955 it fell to 15.3 percent.

The small-business share of procurement through subcontracting is also declining. As the total volume of procurement falls off, and as the large contractors again and again expand their facilities, often with Government assistance, there is less and less inducement to subcontract, and more inducement to keep the business in the prime contractor's plant.

The committee's Subcommittee on Small Business and the Senate Select Committee on Small Business have received much evidence of these tendencies. They give rise to grave concern because they may have a fundamental effect upon our competitive economy and our way of life.

Many efforts have been made to improve the status of small business, and undoubtedly the position of small business would be worse if they had not been made. But they have not accomplished enough.

Your committee has, therefore, directed the Office of Defense Mobilization, the top mobilization agency, to make a complete and thorough review of the matter and to submit a full report on the survey within 6 months. This report must contain the recommendations of the several agencies and ODM for action to be taken to increase the share of small business in procurement.

The committee recognizes that this study will be a major effort. The Office of Defense Mobilization will have to devote much time to it. The procurement and other interested agencies are expected to cooperate fully and promptly.

If this study and the recommendations in the report are made with initiative and imagination, the results should greatly benefit our competitive economy.

EXEMPTION FROM THE ANTITRUST LAWS FOR VOLUNTARY AGREEMENTS

Section 6 of the bill limits the authority now conferred on the President to exempt certain voluntary agreements from the antitrust laws and Federal Trade Commission Act.

The exemption from the antitrust laws provided in section 708 represents a departure from the antitrust policies of the United States which can only be justified on the grounds of compelling national defense considerations. Undesirable monopolistic practices may occur which will have unnecessary adverse effects on our competitive economy. These may continue long after the duration of the agreements and the emergency.

The determination to grant exemptions under section 708 involves the weighing of two factors: the benefits to the national defense, concerning which the officials carrying out the mobilization program should have special competence; and the possibility of adverse effects on our competitive free enterprise system, concerning which the Attorney General should have special competence.

In order to assure the consideration of both of these factors, the Congress wrote into section 708 a requirement that the exemption could not be granted (except by the President himself), without final approval by the Attorney General. This provision was in addition to the requirement of consultation with the Attorney General and the Federal Trade Commission.

This means that the Attorney General, as well as the official conducting the mobilization program, must be satisfied that the defense benefits outweigh the adverse effects on the competitive economy, with the President in a position to resolve a disagreement.

The Attorney General must be alert to his responsibility under this section; otherwise Congress should discontinue the program.

In order to emphasize this responsibility of the Attorney General, the bill makes explicit the Attorney General's power to withdraw his approval of an agreement and terminate the exemption for that agreement. He is expected to exercise this authority whenever in his judgment the adverse effects of the agreement on the competitive economy outweigh the benefits to the national defense.

The bill also directs the Attorney General to include these voluntary agreements in the surveys of the mobilization program required under subsection 710 (e) of the act, and requires him to report every 3 months to the Congress and the President.

The agreements which have been approved under this section were considered during the hearings.

The agreements providing for the exchange of information among producers of military equipment were found to have been beneficial, and the bill permits this program to continue for the 2-year extension of the act.

The largest group of nonmilitary agreements consisted of small-business pools, which are also authorized by section 217 of the Small Business Act of 1953. The Committee found no objections to these agreements though they had apparently not been very successful. This program may continue under the Small Business Act of 1953.

Of the remaining agreements, many had properly been terminated when the need for them ended. The ODM reported that only 3 remain in force: the tanker program, which provides for the allocation

of tankers to the military, though it is now used largely for collecting information on the location of tankers; the foreign petroleum supply agreement, which at present authorizes only the collection of information concerning foreign petroleum supply and requirements (though in the past approval was given to other related agreements for the allocation of oil at the time of the Iranian shutdown); and 1 classified agreement in the field of foreign information.

The bill permits these remaining nonmilitary agreements to continue, but it directs the Attorney General to review each of the agreements and the activities carried on under them, and to terminate each of them if in his judgment the adverse effects on the competitive economy outweigh the benefits to the national defense.

The Office of Defense Mobilization recommended a further provision on the basis of the report of the Attorney General's National Committee To Study the Antitrust Laws. This would have permitted the President to extend the exemption from the antitrust laws for up to 20 years beyond the expiration of the act. No substantial justification was presented for such a sweeping departure from the antitrust policies of the United States, and the proposal was not adopted.

EMPLOYEES SERVING WITHOUT COMPENSATION FROM THE GOVERNMENT

Section 7 of the bill restricts the present authority conferred by section 710 of the act to use persons on loan from industry, whose salaries continue to be paid by their private employment, under a waiver of the conflict-of-interest statutes which would otherwise prohibit such a situation.

The conflict-of-interest statutes are permanent criminal statutes, designed to insure, so far as possible, that Government employees shall serve the public interest without reservation and shall not be induced to act against the public interest by any financial temptations from outside sources. These statutes have received much attention in recent years, and some have thought the statutes too weak.

One situation where a conflict of interest occurs which may influence the judgment of a Government employee, is where his salary is paid by a private person or firm whose business is affected by the agency where the Government employee is serving. The conflict-of-interest statutes specifically prohibit this.

In time of war or full mobilization, it has been found necessary to make use of persons of outstanding ability and experience in Government jobs which require knowledge and experience in an industry. Furthermore, in time of war or full mobilization, patriotic motives make it possible to attract to the Government outstanding leaders of industry, and these same patriotic factors substantially reduce the danger that the conflicts of interest will influence these men to favor their private interests unduly, at the expense of the public interest.

At the present time there is neither war nor full mobilization, important though the mobilization plans and current activities under the Defense Production Act are. There is much greater danger now that the pressures of private interests may outweigh the public responsibilities of these persons. In addition, as the mobilization programs become reduced and consolidated with the permanent func-

tions of the Government agencies, more and more occasions will arise where these employees, paid by private concerns and exempted from the conflict-of-interest statutes, will be carrying out the permanent functions of the agencies.

Furthermore, as the programs and the staffs working on them are reduced in size, it should be less difficult to find full-time, salaried employees familiar with the industries involved, to administer the programs, with the assistance and advice of consultants and advisers or advisory committees from industry to guide them.

The witnesses before the committee testified that the mobilization program may be expected to continue in about the present condition for years, possibly for decades.

The time when any extraordinary authority such as this should be terminated is, of course, not an easy one. Whenever authority conferred on an agency is withdrawn, administrative difficulties arise, and some degree of interference with the effectiveness of the program must be expected.

After weighing the various factors mentioned above, the committee reached the conclusion that the exemption from the conflict-of-interest statutes was no longer justified for Government employees receiving salaries from private employers, who were serving in positions such as bureau, division, or section heads, or performing the functions of such positions.

Accordingly, section 6 of the bill does not extend the exemption from the conflict-of-interest statutes under such circumstances. However, the bill would permit these employees to serve in subordinate positions, or to serve as consultants or adviser. In this way their experience and knowledge of specific industrial problems can still be available to the Government.

In addition, to emphasize the intention to restrict the use of such persons to as great an extent as possible, and to emphasize the situations where the exemption from the conflict-of-interest statutes does not apply, the provisions of Executive Order 10182 on these points have been written into the section, with one change relating to the handling of applications. These provisions are considered desirable and must be scrupulously observed.

These employees, and all other Government employees, salaried or without compensation, must keep constantly in mind the principle underlying the conflict-of-interest statutes, often expressed in the maxim, "a public office is a public trust." An employee of the Government, whatever his particular status, must base his decisions, his recommendations, or his advice, exclusively on the public interest. He must not allow his private interests to lead him away from this standard of conduct.

EXECUTIVE RESERVE

Section 7 of the bill authorizes the establishment and training of a nucleus executive reserve for employment in executive positions in the Government in periods of emergency. It would authorize the President to exempt members from the conflict-of-interest statutes, like the employees serving without compensation and consultants.

This provision supports the added emphasis placed on preparedness for a period of full mobilization in the Declaration of Policy.

As outlined by the Director of the Office of Defense Mobilization, members of this executive reserve would be selected from industry, from universities, and from the professions and would receive full security clearances after the necessary investigation. They would come to Washington for a brief period of training, in order to become familiar with Government organization and with mobilization laws, policies, and procedures. Afterward they would return to Washington from time to time for brief refresher courses, and such activities as Operation Alert.

In time of emergency they would be called to duty in whatever status might be appropriate—as full-time salaried employees, without compensation, or on a part-time basis.

While in the reserve status, they would not occupy Government positions under section 710 (b) or otherwise, nor would they even serve as consultants or advisers under section 710 (e).

JOINT COMMITTEE ON DEFENSE PRODUCTION

Section 8 of the bill increases the amount which may be spent by the Joint Committee on Defense Production for stenographic services in reporting its hearings from 25 cents a hundred pages to the current figure of 40 cents a hundred pages.

Section 8 also increases the ceiling on annual expenditures by the Joint Committee on Defense Production from $50,000 to $65,000.

EXTENSION OF EXPIRATION DATE

Section 9 of the bill amends the expiration date of the continuing provisions of the Defense Production Act—Title I (except sec. 104), title III, and title VII (except sec. 714)—to June 30, 1957. The Defense Production Act amendments of 1953 set an expiration date for these provisions of June 30, 1955. Senate Joint Resolution 85, which has passed the Senate and the House of Representatives, extends this date to July 31, 1955.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

DEFENSE PRODUCTION ACT AMENDMENTS OF 1953

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DECLARATION OF POLICY

SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires *the development of preparedness programs and the* expansion of productive [facilities] *capacity and supply* beyond the levels needed to meet the civilian demand, *in order to reduce the time required for full mobilization in the event of an attack on the United States.*

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TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

* * * * * * *

SEC. 303. (a) To assist in carrying out the objectives of this Act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale; and (2) for the encouragement of exploration, development, and mining of critical and strategic minerals and metals: *Provided, however,* That purchases for resale under this subsection shall not include that part of the supply of an agricultural commodity which is domestically produced except insofar as such domestically produced supply may be purchased for resale for industrial uses or stockpiling, and no commodity purchased under this subsection shall be sold at less than the established ceiling price for such commodity (except that minerals and metals shall not be sold at less than the established ceiling price, or the current domestic market price, whichever is lower), or, if no ceiling price has been established, the higher of the following: (i) the current domestic market price for such commodity, or (ii) the minimum sale price established for agricultural commodities owned or controlled by the Commodity Credit Corporation as provided in section 407 of Public Law 439, Eighty-first Congress: *Provided further, however,* That no purchase or commitment to purchase any imported agricultural commodity shall be made calling for delivery more than one year after the expiration of this Act.

(b) Subject to the limitations in subsection (a), purchases and commitments to purchase and sales under such subsection may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, but not extending beyond June 30, [1963] *1965*, as the President deems necessary, except that purchases or commitments to purchase involving higher than established ceiling prices (or if there be no established ceiling prices, currently prevailing market prices) or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

(c) If the President finds—

(1) that under generally fair and equitable ceiling prices for any raw or nonprocessed material, there will result a decrease in supplies from high-cost sources of such material, and that the continuation of such supplies is necessary to carry out the objectives of the Act; or

(2) that an increase in cost of transportation is temporary in character and threatens to impair maximum production or supply in any area at stable prices of any materials,

he may make provision for subsidy payments on any such domestically produced material other than an agricultural commodity in such amounts and in such manner (including purchases of such material and its resale at a loss without regard to the limitations of existing law), and on such terms and conditions, as he determines to be necessary to insure that supplies from such high-cost sources are continued, or that maximum production or supply in such area at stable prices of such materials is maintained, as the case may be.

(d) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined, any materials procured under this section.

(e) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

(f) Notwithstanding any other provision of law to the contrary, metals, minerals, and materials acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this Act, shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98–98h), when the President deems such action to be in the public interest.

Transfers made pursuant to this subsection shall be made without charge against or reimbursement from funds available under such Act of June 7, 1939, as amended, except that costs incident to such transfer other than acquisition costs shall be paid or reimbursed from such funds, and the acquisition costs of such metals, minerals, and materials transferred shall be deemed to be net losses incurred by the transferring agency and the notes payable issued to the Secretary

of the Treasury representing the amounts thereof shall be canceled. Upon the cancellation of any such notes the aggregate amount of borrowing which may be outstanding at any one time under section 304 (b) of this Act, as amended, shall be reduced in an amount equal to the amount of any notes so canceled.

(g) When in his judgment it will aid the national defense, the President may make provision for the development of subsitutes for strategic and critical materials.

* * * * * * *

TITLE VII—GENERAL PROVISIONS

SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this Act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this Act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this Act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations, or orders, or amendments thereto issued under authority of this Act, and in their formation there shall be fair representation for independent small, for medium, and for large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this Act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this Act; and

(iv) in administering this Act, special provisions shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period [following June 30, 1953] *preceding any future allocation of materials*: [*Provided, however,* That the President shall from time to time give effect to the then current competitive position of established businesses as measured over a reasonable period of time, except as the same may result from Government controls under this or any other Act: *Provided further,* That the limitations and restrictions imposed on the production of specific items shall not exclude new concerns and newly acquired operations from a fair and reasonable share of total authorized production, and shall give due consideration to the needs of new concerns and newly acquired operations: *Provided further,* That if the President continues or reimposes allocation controls after June 30, 1953, in the civilian market of any materials subject to such controls on July 1, 1953, he shall do so in the manner above provided but on the basis of the share received by such business during a representative period preceding June 24, 1950, adjusted to reflect, since such date, attained competitive position, the requirements of new concerns and newly acquired operations.] *Provided, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry.*

(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration, their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense

Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

* * * * * * *

SEC. 708. (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States: *Provided, however, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used exclusively by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by clause (2) of the proviso in the preceding sentence, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.* A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder, *or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,* the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. *Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.*

The Attorney General shall submit to the Congress and the President within ninety days after the approval of this Act, and [at such times thereafter as he deems desirable] *at least once every three months,* reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section.

* * * * * * *

SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons temporarily in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that Act.[1]

(b) (1) The President, is further authorized to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation[:]. *This authority may be delegated to heads of departments or agencies delegated or assigned functions under this Act but may not be redelegated by them. In order to carry out the policy of the Congress that, so far as possible, operations under this Act shall be carried on by full-time, salaried employees of the Government, heads of departments and agencies in making appointments under this subsection shall certify to the following with respect to each such appointment:*

(A) That the appointment is necessary and appropriate in order to carry out the provisions of this Act;

(B) That the duties of the position to which the appointment is being made require outstanding experience and ability;

(C) That the appointee has the outstanding experience and ability required by the position; and

(D) That the department or agency head has been unable to obtain a person with qualifications necessary for the position on a full-time salaried basis.

(2) *Appointments under this subsection (b) shall not be made to the position of the director or head of a bureau, division, section, or other comparable policy making or administrative position, and a person appointed under this subsection shall not perform the functions of such a director or head.*

[and he] *(3) The President* is authorized to provide by regulation for the exemption of [such] persons *appointed under this subsection* from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99) [.]*; except that such exemption shall not extend to the following:*

(A) to the negotiation or execution by an appointee under this subsection of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

(B) to the making of any recommendation or the taking of any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

(C) to the prosecution by the appointee, or participation by the appointee in any fashion, in the prosecution of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this order, during the period of such employment and the further period of two years after the termination of such employment;

(D) to the receipt or payment of salary in connection with the appointee's service under this subsection from any source other than the private employer of the appointee at the time of his appointment under this subsection.

(4) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

(c) The President is authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act to employ experts and consultants or organizations thereof, as authorized by section 55a of title 5 of the United States Code. Individuals so employed may be compensated at rates not

[1] This subsection was repealed on June 28, 1955, by subsection 12 (c) (1) of Public Law 94, 84th Congress.

in excess of $50 per diem and while away from their homes or regular places of business they may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses while so employed. The President is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(d) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies and utilize such voluntary and uncompensated services as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

[(e)] *(f)* Whoever, being an officer or employee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives), receives, by virtue of his office or employment, confidential information, and (1) uses such information in speculating directly or indirectly on any commodity exchange or (2) discloses such information for the purpose of aiding any other person so to speculate, shall be fined not more than $10,000 or imprisoned not more than one year, or both. As used in this section, the term "speculate" shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity.

[(f)] *(g)* The President, when he deems such action necessary, may make provision for the printing and distribution of reports, in such number and in such manner as he deems appropriate, concerning the actions taken to carry out the objectives of this Act.

* * * * * * *

SEC. 712. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Defense Production (hereinafter referred to as the committee), to be composed of ten members as follows:

(1) Five members who are members of the Committee on Banking and Currency of the Senate, three from the majority and two from the minority party, to be appointed by the chairman of the committee; and

(2) Five members who are members of the Committee on Banking and Currency of the House of Representatives, three from the majority and two from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a member of the Senate and the other a member of the House of Representatives.

(b) It shall be the function of the committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof. Upon request, the committee shall aid the standing committees of the Congress having legislative jurisdiction over any part of the programs authorized by this Act; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. Any department, official, or agency administering any of such programs shall, at the request of the committee, consult with the committee, from time to time, with respect to their activities under this Act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such

testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of [25] *40* cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of and failure of any witness to comply with any subpena or to testify when summoney under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) The expenses of the committee under this section, which shall not exceed [$50,000] *$65,000* in any fiscal year, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

* * * * * * *

SEC. 717. (*a*) Title I (except section 104), title III, and title VII (except section 714) of this Act, and all authority conferred thereunder, shall terminate at the close of [July 31, 1955] *June 30, 1957*.[1] Section 714 of this Act, and all authority conferred thereunder, shall terminate at the close of July 31, 1953. Section 104, title II, and title VI of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1953. Titles IV and V of this Act, and all authority conferred thereunder, shall terminate at the close of April 30, 1953.

(*b*) Notwithstanding the foregoing—

(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provisions authorizing the creation of such agency.

(*c*) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act, or the taking of any action (including the making of new guarantees) deemed by a guaranteeing agency to be necessary to accomplish the orderly liquidation, adjustment or settlement of any loans guaranteed under this Act, including actions deemed necessary to avoid undue hardship to borrowers in reconverting to normal civilian production; and all of the authority granted to the President, guaranteeing agencies, and fiscal agents, under section 301 of this Act shall be applicable to actions taken pursuant to the authority contained in this subsection.

Notwithstanding any other provision of this Act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into, pursuant to, or under the authority of, section 602 or section 605 of this Act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.

(*d*) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their

[1] The Defense Production Act amendments of 1953 set an expiration date for these provisions of June 30, 1955. S. J. Res. 85, which has passed the Senate and the House of Representatives, extends this date to July 31, 1955

respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection.

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Calendar No. 700

84TH CONGRESS
1ST SESSION

S. 2391

[Report No. 696]

IN THE SENATE OF THE UNITED STATES

JUNE 30, 1955

Mr. FREAR, from the Committee on Banking and Currency, reported the following bill; which was read twice and ordered to be placed on the calendar

A BILL

To amend the Defense Production Act of 1950, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1955".

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some

diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States."

SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "1963" in subsection (b) and inserting in lieu thereof "1965"; and

(2) by adding at the end thereof a new subsection as follows:

"(g) When in his judgment it will aid the national defense, the President may make provision for the development of substitutes for strategic and critical materials."

SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so

far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration,

their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "*Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the anti-

trust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used exclusively by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by clause (2) of the proviso in the preceding sentence, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement

or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 7. Section 710 of the Defense Production Act of 1950, as amended, is amended—

(1) by amending subsection (b) thereof to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation. This authority may be delegated to heads of departments or agencies delegated or assigned functions under this Act but may not be redelegated by them. In order to carry out the policy of the Congress that, so far as possible, operations under this Act shall be carried on by full-time, salaried employees of the Government, heads of departments and agencies in making appointments under this subsection shall certify to the following with respect to each such appointment:

"(A) That the appointment is necessary and appropriate in order to carry out the provisions of this Act;

"(B) That the duties of the position to which the appointment is being made require outstanding experience and ability;

"(C) That the appointee has the outstanding experience and ability required by the position; and

"(D) That the department or agency head has been unable to obtain a person with qualifications necessary for the position on a full-time salaried basis.

"(2) Appointments under this subsection (b) shall

not be made to the position of the director or head of a bureau, division, section, or other comparable policy making or administrative position, and a person appointed under this subsection shall not perform the functions of such a director or head.

"(3) The President is authorized to provide by regulation for the exemption of persons appointed under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99); except that such exemption shall not extend to the following:

"(A) To the negotiation or execution by an appointee under this subsection of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(B) To the making of any recommendation or the taking of any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership or other entity in

the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(C) To the prosecution by the appointee, or participation by the appointee in any fashion, in the prosecution of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this order, during the period of such employment and the further period of two years after the termination of such employment; and

"(D) To the receipt or payment of salary in connection with the appointee's service under this subsection from any source other than the private employer of the appointee at the time of his appointment under this subsection.

"(4) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment."; and

(2) by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and by inserting after subsection "(d)" a new subsection as follows:

"(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99)."

SEC. 8. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 9. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1957".

Calendar No. 700

84TH CONGRESS
1ST SESSION

S. 2391

[Report No. 696]

A BILL

To amend the Defense Production Act of 1950, as amended.

By Mr. FREAR

JUNE 30, 1955

Read twice and ordered to be placed on the calendar

A BILL

July 6, 1955

SENATE

12. AIR POLLUTION. Agreed to House amendment to S. 928, to provide for research on, and control of, air pollution (pp. 8563-4). This bill will now be sent to the President. The House amendment increased from $3 to $5 million a year the authorized appropriation to HEW for each of the fiscal years beginning July 1, 1955 and ending June 30, 1960. For provisions of the bill see Digest 112, item 9.

13. FOREIGN AID. Sens. Green and Wiley were excused from further service as conferees on S. 2090, the mutual security bill, and Sens. Mansfield and Hickenlooper were appointed in their place (p. 8530).

14. TRADE DEVELOPMENT; ONIONS; FARM LOANS; TOBACCO; WEATHER. The Agriculture and Forestry Committee ordered reported without amendment S. 2253, to increase funds for P. L. 480 and transfer its administration to USDA: H. R. 122, to amend the Commodity Exchange Act so as to include onions; and with amendment S. 1758, to amend the Farm Tenant Act to provide additional authority for insurance of loans; S. J. Res 75, to provide for a report from this Department on tobacco research programs; with amendments S. Res 82, requesting a report from this Department on horticultural and agricultural weather forecasting; and an original resolution authorizing funds of $20,000 for the committee to conduct field hearings on farm price support program (pp. D663-4).

15. EXPENDITURES; APPROPRIATIONS. Sen. Byrd inserted a statement of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to unexpended balances of Federal appropriations, together with a table summarizing the information compiled in a report on the same subject by the committee, as of March 31, 1955 (pp. 8531-2).

16. WHEAT. Sen. Neuberger stated that "in the recent wheat referendum farmers showed their concern over their loss of income by voting in larger percentages for a national support price" and inserted an editorial on this subject (pp. 8552-3).

17. WATER RESOURCES. Passed as reported H. R. 3990, authorizing the Interior Department to investigate and report to Congress on the water resources in Alaska (p. 8553).

18. DEFENSE PRODUCTION. S. 2391, to extend the Defense Production Act for 2 years was made the unfinished business (pp. 8553-4).

19. PROPERTY. The "Daily Digest" states that: The Government Operations Committee announced that the hearings, originally scheduled for July 7 and 8 on S. 2367, relating to the authority of GSA Administrator with respect to utilization and disposal of excess and surplus Government property under the control of executive agencies, have been rescheduled for July 13 and 14 (p. D664).

20. LEGISLATIVE PROGRAM. Sen. Clements announced that following completion of action on the bill to amend the Defense Production Act, the bills to negotiate a Missouri River Basin compact and to eliminate the 1-year limitation on the period of leases of space for Federal agencies in D. C. would be considered. He also announced that it would be the intention of the Senate to adjourn from today until Monday (p. 8554).

BILLS INTRODUCED

21. PERSONNEL. S. 2425, by Sen. Johnston, S. C. (for himself and others), to authorize the Civil Service Commission to make available on a voluntary basis, group hospital, surgical, medical, and other personal health service benefits for civilian officers and employees in the Federal service, through the facilities of prepayment group plans, group practice prepayment plans, Federal employee organizations, and insurance companies; to Post Office and Civil Service Committee (p. 8530).

H. R. 7179, by Rep. Broyhill, to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 8623).

H. R. 7180, by Rep. Broyhill, to provide for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees of the Department of Corrections of the District of Columbia; to Post Office and Civil Service Committee (p. 8623).

22. PROPERTY. H. R. 7184, by Rep. Donohue, and H. R. 7191, by Rep. Philbin, to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to Government Operations Committee (p. 8624).

ITEMS IN APPENDIX

23. RECLAMATION; ELECTRIFICATION. Sen. Gore inserted a statement by Sen. Anderson urging rejection of the Dixon-Yates contract (pp. A4897-8). He also inserted a Louisville Courier-Journal editorial giving the history of the Dixon-Yates controversy and recommending further investigation of attempts by the Administration to put through the Dixon-Yates contract (pp. A4898-4900).

Sen. Butler inserted a Wall Street Journal article, "Power Propaganda," stating that public power advocates have distorted the issues in the controversy between private and public power interests, and recommending that proposal of the Hoover Commission concerning power production be adopted (p. A4901).

Sen. Anderson inserted a newspaper article opposing the Dixon-Yates contract (p. A4905).

Rep. Cannon inserted a St. Louis Post-Dispatch editorial favoring REA and criticizing recommendations of the Hoover Commission which would favor private power interests (p. A4936).

Rep. Wilson inserted an article by Rep. Hosmer in the San Diego Tribune, warning Californians to fight the upper Colorado River project and charging that the project violates the terms of the Colorado River compact (p. A4922).

Rep. Hiestand inserted editorials from newspapers in Colorado (p. A4905) and Alabama (p. A4908) opposing the upper Colorado River storage project.

Rep. Hosmer inserted two "Bananas on Pikes Peak" articles giving arguments against the upper Colorado River storage project (pp. A4929, A4930).

24. MONOPOLIES. Rep. Smith, Miss., inserted an editorial from Fortune Magazine criticizing the President of Westinghouse for advocating higher tariffs on electrical equipment (p. A4905).

25. FOREIGN AID. Sen. Schoeppel inserted a Wall Street Journal editorial warning against possible public misunderstanding of the scope of the foreign aid program due to the replacement of FOA by ICA (p. A4907).

Marion T. Weatherford, of Arlington, Oreg., and Jack Smith of Condon, officials of the Oregon Wheat League, have enthusiastically endorsed the two-price wheat plan, and I have had the pleasure of conferring frequently with them and with other Wheat League officials over the proposed legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the columns of the Oregonian of June 27, 1955, entitled "The Wheatgrowers' Vote."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE WHEATGROWERS' VOTE

Wheat farmers of America surprised some observers by voting for rigid marketing quotas on the 1956 crop. With the support level set at 76 percent of parity for next year, as against 82½ percent for 1955, it was thought by some that more than a third of the farmers voting would reject controls. This would have thrown wheat growing wide open and dropped the support level to 50 percent of parity.

Surprisingly a larger percentage voted for controls this year than last year, though the average national support price in 1956 will be only $1.81 a bushel, compared with this year's $2.06. A lot of farmers, this year as last, didn't bother to vote at all, the total being only a little more than half of the approximately 600,000 eligible farms. Evidently a large number of growers who have allotments of 15 acres or more didn't much care whether controls remained or not.

In areas where wheat is the major crop, however, farmers are greatly concerned over the Government support program. Their acreages have been cut severely and their income consequently reduced. The lower support price in 1956 will reduce their income still more.

Perhaps a considerable number of growers voted for quotas in the belief that a negative vote would have indicated they want no relatively high support program. Senator ALLEN J. ELLENDER, Democrat, of Louisiana, chairman of the Senate Agriculture Committee, advised a strong "yes" vote for this reason. He reportedly feels that an "improved" support program can be enacted by Congress next winter, before the 1956 election, and that it may be made retroactive. The National Farmers Union also campaigned for a heavy "yes" vote.

Undoubtedly there will be great activity to bring about enactment of new wheat support legislation in the next few months. The favorable quota vote can be reasonably classed as a holding operation. The two-price program advocated by many Oregon wheat growers probably will be one of the alternatives considered.

New legislation may be pushed through before Agriculture Secretary Benson's theory of flexible supports gets a thorough test as it applies to wheat. If left alone, it might bring production closer to demand by diverting more wheatland to hay and pasture and encourage growing of higher quality wheats which bring better prices.

ISSUANCE OF LAND PATENT IN THE ISLAND OF OAHU

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 704, House bill 3636.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3636) to authorize the issuance of a land patent to certain lands in the city and county of Honolulu, Island of Oahu, to the Protestant Episcopal Church in the Hawaiian Islands.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, H. R. 3636 is a measure to remove a restriction in the title of the Protestant Episcopal Church in the Hawaiian Islands to a city lot in Honolulu. The size of the lot is 14,351 square feet.

The lot in question was at one time part of a Federal Government subdivision. Some years ago it was conveyed to third parties, but because of the restriction in section 73 of the Hawaiian Organic Act—found in title 48, United States Code, beginning with section 663—the deed contained a restriction that the land may be used for residence purposes only. About 2 years ago the church purchased the lot from the third party, but because of the residence restrictions is unable to build a mission church on it.

H. R. 3636 would remove this restriction, and permit the church to build a mission on the land it has purchased. No expenditure of Federal funds or transfer of Federal property is involved. The action of the Senate Interior Committee in recommending enactment of H. R. 3636 was unanimous.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 3636) was ordered to a third reading, read the third time, and passed.

CONSERVATION, DEVELOPMENT, AND UTILIZATION OF WATER RESOURCES OF ALASKA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 705, H. R. 3990.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after the word "year", to strike out the colon and the following proviso:

Provided, That any amount of any annual appropriation left unexpended at the end of any fiscal year shall be returned to the Treasury.

Mr. JACKSON. Mr. President, H. R. 3990 is a measure which was transmitted to Congress by the Department of the Interior to enable the Department to make long-range investigations of projects for the conservation, development, and utilization of the water resources of Alaska. The Subcommittee on Territories of the Senate Committee on Interior and Insular Affairs held a hearing on the bill, and received testimony from the Delegate from Alaska and the Department of the Interior in support of its purposes.

H. R. 3990 would authorize no new activity for the Federal Government in Alaska. For some years the Bureau of Reclamation has been conducting water resources study programs in the Territory on the basis of authorizations in appropriations bills. The pending measure would merely give legislative authority for such study programs on a permanent basis.

The legislation will encourage the industrial development of Alaska through wider use of hydroelectric power, and through irrigation and drainage activities.

Annual appropriations of not more than $250,000 are authorized. The committee was informed that this amount is in line with sums which have been allowed for the past several years by the Appropriations Committees for the purposes of the bill.

In its consideration of the bill, the House of Representatives inserted language which would have required that all unexpended balances of any annual appropriation be returned to the Treasury at the end of each fiscal year. Such a proviso would not be in accord with the customary practice in appropriating invesigation funds to the Bureau of Reclamation, which funds are available until expended. Furthermore, work of this sort in Alaska must necessarily be done during a short season, with the end of the fiscal year falling in the middle of that season. The proviso creates a grave danger of unnecessary interruptions each year in the middle of that work. For these reasons the committee recommends deletion of the proviso.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AMENDMENT OF DEFENSE PRODUCTION ACT OF 1950

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 700, Senate bill 2391.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2391) to amend the Defense Production Act of 1950, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. KNOWLAND. Mr. President, as I understand, the acting majority leader has moved the consideration of the bill merely to make it the unfinished business; he does not expect to have the defense production bill considered today.

Mr. CLEMENTS. The Senator from California, the distinguished minority leader, is absolutely correct.

Mr. KNOWLAND. I thank the Senator from Kentucky.

LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, I should like to announce the program for tomorrow, and I do so after having consulted with the minority leader.

Following the completion of action by the Senate on Calendar No. 700, Senate bill 2391, it will be the intention of the acting majority leader to move the consideration of Calendar No. 676, Senate bill 1835, to amend the District of Columbia Unemployment Compensation Act, as amended.

That bill will be followed by Calendar No. 707, Senate bill 787, granting the consent of Congress to the States of Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact for the attainment of the conservation and development of the water resources of the Missouri Basin, and for other purposes, and Calendar No. 708, Senate bill 1210, to amend the Public Building Act of 1949 so as to eliminate the 1-year limitation on the period of leases of space for Federal agencies in the District of Columbia.

Unless there should be some change in the program, it will be the intention of the leadership to move that the Senate adjourn from tomorrow until Monday noon.

It is the plan of the leadership to have a call of the calendar on Monday, if the Committee on the Judiciary, between now and Friday, will do what we are very hopeful it will do, namely, report to the Senate some of the bills pending before it so that they may be considered on the call of the calendar.

Certainly nothing will be considered on the calendar on Monday except measures to which there is no objection.

For the information of the chairmen of committees, the presently announced schedule for tomorrow and Monday leads me to say that the intervening time will afford the committees an excellent opportunity to take action on measures which are pending before them. If the adjournment target date which we individually and collectively have set in the Senate is to be met, it is necessary that measures of real importance which are pending before the committees be acted upon at a very early date.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am pleased to yield.

Mr. KNOWLAND. In the event the conference report on the mutual security authorization bill should be ready, will the Senator from Kentucky be prepared to have it considered tomorrow?

Mr. CLEMENTS. Not only will I desire that the Senate do that, but yesterday I made the statement that any conference report which came before the Senate would be considered immediately.

Mr. KNOWLAND. I think the Senator from Kentucky and I understand each other perfectly, working together as we do. However, I assume, as to conference reports, that there will be advance consultation, because sometimes interested Senators wish to be on the floor at the time the reports are being considered. I merely wished to modify the Senator's use of the word "immediately."

Mr. CLEMENTS. The suggestion by the able minority leader is well taken. When I use the word "immediately," I mean as soon as possible after all the customary negotiations have taken place.

THE PRESERVATION OF OUR BASIC LIBERTIES

Mr. MARTIN of Iowa. Mr. President, we are living through the most critical period of Western civilization. President Eisenhower carries the most momentous responsibilities of any man alive today. When he meets at Geneva with the leaders of the countries behind the Iron Curtain for negotiations which may have consequences which may last a generation, he should carry with him the assurance that this country is united behind him in defending our basic liberties, our belief in God, and the free-enterprise system, which has been endorsed repeated by both major political parties. None of us were elected to this body as Socialists, so let us speak and act like Republicans and Democrats who, regardless of our political differences, are all dedicated to the preservation of a free-enterprise competitive economy.

Mr. President, we are approaching an election in the United States. Some partisans on both sides of the aisle may make extreme statements which cannot be supported and which can seriously damage our position internationally. Recently I have been reading the official records of the United Nations Economic and Social Council. I have been dismayed to see how often the burden was placed upon our representatives to correct loose statements, often originally made by our own citizens and Government officials, which were thrown back at us in the course of debate by representatives of the Iron Curtain countries.

The 17th session of the United Nations Economic and Social Council took place in New York in April 1954. One item on the agenda was a report on freedom of information. It had been prepared by a Mr. Lopez, a rapporteur, who had been instructed by the Council at its 14th session to prepare a report on national contemporary problems and developments in the field of freedom of information. The report was supported by the United States representatives.

Mr. President, I ask unanimous consent to have an excerpt from the official debates printed at this point in the RECORD, so that my colleagues can have some concept of the tenor of the debate when Mr. Tsarapkin, the delegate from Soviet Russia, took the floor. In making his statement Mr. Tsarapkin, the official delegate of the U. S. S. R., spoke for 2 days in reference to the report on freedom of information which had been prepared by Mr. Lopez pursuant to the direction of the Economic and Social Council. Because of language problems the United Nations does not publish a verbatim transcript of debates.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. Tsarapkin (Union of Soviet Socialist Republics) noted that Mr. Lopez' report had been criticized from all sides and that its only defender had been the United States of America. That was understandable, for the rapporteur, instead of dealing with the problem in an objective way and with all the conscientiousness that the terms of reference given him by the United Nations demanded, had produced a work which was a mediocre repetition of the opinions of information monopolies, mostly American, such as the Associated Press, the United Press, and the International News Agency. He had not even taken the trouble to collate the information supplied by those agencies with that obtained from the countries he had criticized.

It might be thought at first sight that the Rapporteur had endeavored to examine all the problems arising in the field of information, but it quickly became clear that his chief aim had been to comply with the wishes of the monopolists concerned and that he had merely reproduced their point of view in order to lead the United Nations to adopt it.

The rapporteur had deliberately avoided the real problem. When he had tried to define freedom of information, he had not realized that such liberty existed only where it furthered the cause of peace, and that there could be no question of freedom when that information was used to disseminate warmongering propaganda. Neither had he thought of finding out who were the owners of information media in countries which were supposed to have freedom of information.

On the contrary, it was clear that he had wanted to present a favorable picture of the situation existing in certain countries, especially the United States of America, and through the use of lies and slander to paint a dark picture of the situation in the U. S. S. R. and the peoples' democracies.

He asserted that the Soviet press was a state monopoly, but that very choice of words revealed the source to which he owed his statement. It had been quite ridiculous for him to allege that freedom of criticism was limited, since one had only to open a Sovict newspaper to see numerous criticisms with respect to shortcomings in production or the incompetence of this or that person, as well as concerning economic, scientific, and other developments. Naturally they did not contain sensational items because Soviet newspapers did not sell their articles as did the capitalist press. Neither were they the echo of their masters' voice. While in the U. S. S. R. the press belonged to millions of workers, laborers, and peasants, in the United States of America it was millionaires who selected news. The rappor-

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SENATE

13. TRADE DEVELOPMENT; ONIONS; FARM LOANS; TOBACCO; WEATHER; PRICE SUPPORTS. The Agriculture and Forestry Committee reported with amendment S. 2253, to increase funds for Public Law 480 and transfer its administration to USDA (S. Rept. 767); without amendment H. R. 122, to amend the Commodity Exchange Act so as to include onions (S. Rept. 766); with amendments S. 1758, to amend the Farm Tenant Act to provide additional authority for insurance of loans (S. Rept. 703); with amendments S. J. Res. 75, to provide for a report from this Department on tobacco research programs (S. Rept. 704); with amendments S. Res 82, requesting a report from this Department on horticultural and agricultural weather forecasting (S. Rept. 765); and without amendment S. Res. 123, authorizing $20,000 for the committee to conduct field hearings on price supports (S. Rept. 764) (pp. 8627-8).

14. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 4046, to abolish the Old Kasaan National Monument, Alaska, and transfer its land to the Tongass National Forest (S. Rept. 707) (p. 8628).

15. BANKRUPTCY. The Judiciary Committee reported without amendment S. 689, to amend the Bankruptcy Act regarding farmer-debtor relief (S. Rept. 709) (p. 8628).

16. RECLAMATION. Received from GAO an audit report (parts 1 and 2) on the Bureau of Reclamation, Interior Dept., for the fiscal years 1952 and 1953; to Government Operations Committee (p. 8626).

17. BUDGET AND ACCOUNTING. Sen. Payne commended the Hoover Commission report on Budget and Accounting, urged adoption of the recommendations, and inserted the 25 recommendations proposed by the Commission (pp. 8630-2).

18. DEFENSE PRODUCTION. S. 2391, to extend the Defense Production Act for 2 years, which had previously been made the unfinished business, was put aside for the consideration of otherlegislation (pp. 8633, 8637).

19. BUILDINGS. Passed as reported S. 1210, to amend the Public Buildings Act of 1949 so as to eliminate the one-year limitation on the period of leases of space for Federal agencies in D. C. and to make it possible to lease such space for periods not in excess of 5 years (pp. 8637, 8645).

20. RIVER COMPACT. Passed as reported S. 787, to authorize the 10 States of the Missouri River Basin to negotiate and enter into a compact for a basinwide comprehensive program of conservation and development of the water resources of the basin (p. 8645).

21. FOOD AND DRUGS. Sen. Purtell discussed the report and recommendations of the Citizens Advisory Committee on the Food and Drug Administration and inserted a list of some of the important recommendations (pp. 8635-6).

22. RECLAMATION; ELECTRIFICATION. Sen. Neuberger spoke in favor of the proposed Hells Canyon Dam (pp. 8637-9).

Sen. Douglas inserted Raymond Moley's reply to the statement of Sen. Watkins concerning the proposed upper Colorado River project (pp. 8639-40).

23. PERSONNEL. Sen. Johnston criticized a Civil Service Commission departmental circular which was issued regarding the classification and status of career attorneys in the competitive Civil Service (p. 8639).

24. APPROPRIATIONS. Sen. Byrd, as Chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, inserted a statement showing, by departments, the unexpended balances of appropriations and authorizations as of March 31, 1955 (pp. 8531-2).

25. ADJOURNED until Mon., July 11 (p. 8646). Sen. Clements announced that on Mon. there will be a call of the calendar, but that no controversial legislation will be considered on Mon. and that on Tues. the bill to amend and extend the Defense Production Act will be considered (p. 8646).

BILLS INTRODUCED

26. PERSONNEL. S. 2430, by Sen. Johnston, S. C., to amend section 9 of the Hatch Act so as to eliminate the provision thereof requiring 90 days' suspension as a minimum penalty for violations; to Rules and Administration Committee (p. 8628). Remarks of author (p. 8629).

H. Res. 304, by Rep. Murray, Tenn., to authorize the Committee on Post Office and Civil Service to conduct investigations and studies with respect to certain matters within its jurisdiction; to Rules Committee (p. 8685).

27. MINIMUM WAGE; CONTRACTS. S. 2431, by Sen. Smith, Maine (for herself and others), to facilitate and expedite the making of minimum wage determinations and other determinations and interpretations by the Secretary of Labor under the Walsh-Healey Act; to Labor and Public Welfare Committee (p. 8628). Remarks of author (p. 8629).

28. FORESTRY. S. 2433, by Sen. Kefauver (for himself and Sen. Langer), to provide for the establishment, within the national parks of the United States, of a series of Federal forestry camps for the training, education, rehabilitation, security, and correction of male juvenile delinquents; to Interior and Insular Affairs Committee (p. 8629). Remarks of author (pp. 8629-30).

29. LANDS. H. R. 7204, by Rep. Brooks, La., to authorize the Secretary of Agriculture to use receipts from lands being administered under title III of the Bankhead Jones Farm Tenant Act to maintain and improve such lands; to Agriculture Committee (p. 8684).

30. ACCOUNTING. H. R. 7206, by Rep. Cooper, to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities; to Ways and Means Committee (p. 8684).

H. R. 7209, by Rep. Frelinghuysen, to provide for improving accounting methods in the executive branch of the Government, etc; to Government Operations Committee (p. 8684).

31. FOREIGN TRADE. H. R. 7210, by Rep. Gathings, to amend the Agricultural Trade Development and Assistance Act of 1954 so as to establish more clearly the policy of Congress as to expansion of foreign trade in agricultural commodities; to Agriculture Committee (p. 8684).

ITEMS IN APPENDIX

32. FARM BUREAU INSTITUTE. Rep. Belcher inserted an editorial, "Farm Bureau Teaches Citizenship at the Grass Roots," which describes efforts of this organization toward fostering good citizenship and also gives some of its views on agriculture (p. A4953).

waterway. It will not be possible for these new vessels to utilize their larger capacities for iron ore in navigating the connecting channels at their present controlling depths when the water levels of the lakes are at ordinary low stages.

The proposal to improve the controlling depth of the channels to 27 feet from its present depths of 21 feet upbound and 25 feet downbound thus merits quick approval. It will enable the new carriers to operate efficiently during even the period of the low-water cycle of the Great Lakes waterway. And that waterway—may I respectfully remind the subcommittee—is the greatest low-cost transportation artery of the Nation. The projects outlined in the several bills you are now considering will cause to be lowered even the exceedingly low ton-mile costs which now exist. Since 1.7 times more traffic travels the Great Lakes than travels all the other inland waterways of the country combined, any new savings realized will be a most important contribution to the economy of the Midwest and the Nation.

But the advantages of additional savings through deepening the connecting channels must not be allowed to overshadow an ominous truth. This is that if the channels are not improved soon, those fine figures for low-cost ton-miles may well start climbing again. Continuation of the present ton-mile rates depends upon the most efficient usage of carriers, and because of some of the facts of life concerning the composition of the present fleet, the continued use of present vessels is becoming more and more uneconomical.

Let me refer now to certain statistics on Great Lakes vessels, and their importance to the iron-ore trade. The best figures developed show that currently, there are 286 cargo vessels flying the American flag in the iron-ore trade. Of these, 160 are more than 45 years old, and these ancient vessels account for more than one-half of the entire yearly movement of iron ore on the lakes. This fleet is obviously drawing near the end of its useful life. The replacement of these carriers will lag until the most efficient designs can be utilized by the shipowners, and that will only be after passage of legislation enabling the improvement of the connecting channels. Since vessels must soon be built to replace the rapidly aging fleet now in operation, and since they should be able to utilize the most modern and efficient design, their future rests with the fate of these bills for improvement of the connecting channels. It is not sensible to replace the outdated vessels with more of the same type, but even that will soon have to be done if the chanenls are not deepened enough to permit the larger carriers to navigate them. I have dwelt on the iron-ore carriers in particular, but the problem of an aging fleet is just as critical to those engaged in the movement of other cargoes. Even at the present time, many vessels now in use cannot navigate the entire length of the lakes. There are 247 cargo vessels with maximum drafts of more than 21 feet now, sailing under American registry, and 44 now operating which require a draft of 24 feet or more, although 21 feet is the controlling depth upbound for the connecting channels.

As you know, it has long been the policy of the Federal Government to keep abreast of technological changes and improvements for channels, harbors, and rivers. In several bills now before this committee, routine improvements for several of these are recommended. The deepening and improving of the connecting channels can also be considered in this light, over and above the pressing need which I have mentioned earlier. The routine need for improvement of the connecting channels has been met before by the Congress, and modern change now requires that the channels be considered favorably again.

And so, I urge the approval of this legislation to insure that there will be no slackening of the passage of iron ore down the Great Lakes in these times of national uncertainty; to insure the best utilization of new construction of lake vessels; to insure the continuation of low-cost tonnage; and to preserve and strengthen the economy of the great Midwest, in its role of heartland for the Nation.

I have confidence in the judgment of your subcommittee and in your full committee.

So far as I am concerned, the key issue before us is really not, "will we approve the channels," but "when" will Congress approve the deepened channels? Will we, as we should, approve them this year, prior to recess of the first session of the 84th Congress, or will we tarry unnecessarily until next year?

I can appreciate the pressure of other legislation before the Senate and House Public Works Committees, as well as the problem of scheduling this particular bill on the Senate and House floors. But I am firmly convinced that ample time remains for action this year, and I do indeed hope that you and your able associates will be of like opinion.

I am grateful for the opportunity of presenting these views in this form, and I leave the case with you for your fine judgment.

Sincerely yours,

ALEXANDER WILEY.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business, which is Senate bill 2391.

The Senate resumed the consideration of the bill (S. 2391) to amend the Defense Production Act of 1950, as amended.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, the Senator from Arkansas [Mr. FULBRIGHT], acting chairman of the Committee on Foreign Relations, has a privileged matter to present.

MUTUAL SECURITY ACT AMENDMENTS OF 1955—CONFERENCE REPORT

Mr. FULBRIGHT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 6, 1955, pp. 8604, 8605, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. FULBRIGHT. Mr. President, there were relatively few differences between the Senate and House versions of this bill, and those differences were compromised without great difficulty.

The total appropriations authorized by the bill as agreed to in conference amount to $3,285,800,000. This is the same as passed by the House and $139,200,000 less than passed by the Senate. As compared to the bill which passed the Senate, the conference report authorizes $145 million less for military assistance, $22 million more for European defense support, $12.5 million less for the Intergovernmental Committee for European Migration, and $3.7 million less for NATO civilian expenses. These last two items were eliminated because there is a continuing authorization for them in existing law and not because the conferees in any way disapproved of the proposed expenditures.

For European defense support, the Senate had authorized $70 million, of which $28 million was proposed for Spain. The House increased the total to $92 million and wrote in a requirement that not less than $50 million should be used for Spain. The conference report retains the House figure but strikes out the House language. Although the conferees intend that the additional money shall be used for Spain, the Senate conferees successfully insisted that individual countries should not be singled out in legislation of this type.

For the same reason, the conferees struck out the House proviso requiring that Greece receive at least as much in fiscal 1956 as in 1955. Again, however, the conferees intend that assistance to Greece shall not be reduced, and that the President shall use his special fund to maintain the Greek program at the same level.

There are only a few other differences which should be mentioned:

First. The House at three points in the bill wrote in a statement that assistance should "emphasize loans rather than grants wherever possible." To this the Senate conferees agreed. Personally, I strongly endorse this principle, and I hope the administration will do everything possible to follow that suggestion. I recommend loans or acceptance of local currencies, as under Public Law 480.

Second. The House agreed to the Senate provision earmarking $300 million to be used during fiscal 1956 to finance the export of surplus agricultural commodities. This is approximately $80 million to $100 million more than would have been required under the House bill.

Third. The Senate agreed to a House amendment changing the ceiling on United States contributions to the World Health Organization from $3 million to 33⅓ percent of the total assessments of the active members of the Organization, effective in 1958.

Fourth. The House receded from its amendment providing for a Joint Commission on Rural Development in the Philippines.

Fifth. The Senate agreed to House amendments expressing the sense of Congress in favor of self-government or independence and against the seating of Communist China in the United Nations.

Mr. President, I think this conference was very successful from the point of view of the Senate, and I strongly recommend approval of the conference report.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from California.

Mr. KNOWLAND. My attention was distracted as the Senator was concluding his statement. Do I correctly understand that the conferees agreed to the House language, to the effect that it was the sense of Congress that Communist China should not be admitted into the United Nations?

Mr. FULBRIGHT. The Senator understands correctly. The Senate conferees accepted that language without any change.

Mr. KNOWLAND. I am glad the Senate conferees accepted that language, which confirms not only the House action but the unanimous Senate action of last year in this regard. I think it is particularly important, because of the rather unfortunate press conference which the Premier of Burma held in New York yesterday, wherein he indicated that, in discussions in Washington or elsewhere, he gained the impression that there was no opposition to the seating of Red China in the United Nations. He indicated that he had received that impression from Government officials in Washington. I have made some rather extensive inquiries, and I can find no one who has any idea as to where or from whom he received that impression. I can find no one who has any idea as to how he received such an impression from anyone officially connected with the Government of the United States.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am glad to yield to the distinguished Senator from New Mexico.

Mr. CHAVEZ. I should like to get clearly in my mind exactly what was done by the conferees with reference to Spain and Greece.

Mr. FULBRIGHT. The conferees on the part of the Senate, including myself, felt very strongly that it would be bad legislative practice to single out individual items and say, "This appropriation must be for this purpose, and that appropriation for that purpose." We had that trouble in the past, and we have gotten away from it. We specifically and unanimously agreed that the report should indicate, in strong language, that we were in favor of the use of the same amount—that is $50 million—for Spain.

Mr. CHAVEZ. Without designating individual countries?

Mr. FULBRIGHT. Without the designation being in the bill itself.

Mr. CHAVEZ. I think that is sound policy. As I understand, the general purposes of the program will still be carried on.

Mr. FULBRIGHT. That is correct. On this subject let me read from the statement of the managers of the conference on the part of the House:

> The conferees accepted the House figure of $92 million, an increase of $22 million over the Senate figure of $70 million, and deleted the language earmarking $50 million for Spain. The committee of conference, however, expresses its unanimous view that at least $50 million of the total amount should, after satisfactory negotiation and agreement, be used for assistance to Spain.

Mr. CHAVEZ. I thank the Senator.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. CARLSON. Do I correctly understand that the conference reached an agreement on a reduced amount of money for the disposition of surplus agricultural commodities?

Mr. FULBRIGHT. No. The Senator misunderstands. At the urging of the Senate conferees, that amount was increased to a minimum of $300 million.

Mr. CARLSON. I misunderstood the Senator.

Mr. FULBRIGHT. As I have previously stated, this is approximately from $80 million to $100 million more than would have been provided by the bill as passed by the House.

Mr. CARLSON. I wish to commend the conferees. I think it is very important that surplus agricultural commodities which we have available be disposed of to other countries which need them.

Mr. FULBRIGHT. I appreciate very much the statement of the distinguished Senator from Kansas. The Senator from Arkansas was very much interested in that particular item, and did what he could to persuade the House conferees to accept that figure.

Mr. MANSFIELD. Mr. President, I rise to discuss briefly a most disturbing situation which has come to light during congressional consideration of the Mutual Security Act of 1955. The Department of Defense supplied estimates to the Congress which were at one point more than $800 million in error. Whether that error resulted from gross negligence or from a calculated attempt to mislead the committee, I am not prepared to state. The discrepancies in estimates were so great, however, that they should serve as a warning to every Member of this body that henceforth figures and estimates supplied by the executive branch must be reviewed with the utmost care.

I should like to give a chronological account of the facts and let them speak for themselves.

First. April 20, 1955: On that date the President asked the Congress to authorize a mutual-security program of $3.4 billion. At that time the Committee on Foreign Relations was informed that the Department of Defense estimated that military assistance funds which the Executive would not be able to obligate or reserve—and the terms are interchangeable—in accordance with provisions of law would total $100 million on June 30, 1955.

Second. May 1955: During consideration of the mutual-security legislation, the Committee on Foreign Relations noted that the Executive did not ask for simple authority to carryover this $100 million amount, but asked instead for broad language which would have permitted the carryover of any amounts not obligated or reserved by the end of the fiscal year.

Third. May 26, 1955: During consideration of the bill in the committee, I offered an amendment which instead of leaving the Executive with blank-check, carryover authority, provided that unobligated and unreserved funds in excess of $150 million should lapse into the Treasury. During discussion of that amendment, the minority leader, the Senator from California [Mr. KNOWLAND], asked representatives of the Department of Defense whether the limitation of carryover funds to $150 million would be adequate. They indicated that they had no objections to my amendment provided the carryover amount could be fixed at $200 million. I accepted that amount as an amendment, and it was written into the bill.

Fourth. June 2, 1955: During Senate floor debate the usual criticism was leveled at the Mutual Security Act to the effect that vast unexpended, unobligated, or unreserved funds would be carried over into the new fiscal year. The distinguished chairman of the committee, the Senator from Georgia [Mr. GEORGE] was asked why the $200 million limitation was placed in the bill. The Senator from Georgia replied:

> It was placed in the bill because the testimony was undisputed and it was unquestioned that every dollar of this money had been allocated under the statutory definition made by the Appropriations Committee of the Senate, which was binding upon that committee. It was stated there was remaining only $100 million. It was first proposed that only $100 million of the unexpended balances should be carried over. It is true we did reappropriate the unexpended balances, but in accordance with the testimony, and we limited the carryover to $200 million.
>
> So do not worry about the unexpended balances or the unallocated balances. That is all there is to the question. More than $200 million cannot be carried over. There is no way for more than that amount to be carried over. (RECORD, June 2, 1955, p. 6463.)

This statement emphasizes the good faith with which the chairman and the other members of the committee accepted the estimates of the executive branch.

The Senate passed the bill.

Fifth. June 13, 1955: According to the report of the Committee on Foreign Affairs of the House of Representatives, information was received on June 13 that the estimated unobligated balances would exceed the $200 million limit fixed by the Senate amendment. I understand that a plea was then made to the House committee to restore the original language—the language permitting a blank-check carryover. That change was successfully resisted by the House committee.

Sixth. June 21, 1955: On that date, according to the House committee re-

June 20, 1905. A hero of the Civil War, Gen. Charles Bird, was elected president, Dr. James A. Draper, its vice president, its treasurer, Henry M. Canby, and its secretary that never-to-be forgotten great lady, Miss Emily P. Bissell. In this first meeting, General Bird told of the circumstances surrounding the organization of a Red Cross society in Delaware, with a minimum of 100 members, with an executive committee which included such great names, along with its officers, as Judge George Gray, Samuel Bancroft, Jr., Gen. James H. Wilson, Dr. John J. Black, Ex-Governor Ebe W. Tunnell, for Sussex County, Henry Ridgely, Jr., for Kent County, and Governor Preston Lea as an ex-officio member.

Of all the State branches of the national organization that were formed in 1905, and the years immediately following, only Delaware retained its original charter, only Delaware has continued to be the only State Chapter in the American Red Cross.

The tone of that first meeting, held in the rooms of the Historical Society of Delaware, was loud and clear; we hear it today; God willing, we and our children shall hear it for many years to come.

For 50 years, workers of the Red Cross have been sensitive to the needs of their fellowman. Through two world wars, and one cold war, through the depression that was the aftermath of a war, members of the Delaware Chapter have kept fresh in their minds the reasons for their existence—"To furnish volunteer aid to the sick and wounded of armies in the time of war in accordance with the Convention of Geneva; To act in matter of voluntary relief and in accord with military and naval authoritics as a medium of communication between the people of the United States and their Army and Navy; To continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry on measures for preventing the same."

How well we of this generation are living up to those obligations, you may judge for yourselves in the pages that we bring to you. How well we shall be able to carry on the work outlined for us in 1905 is dependent on the support that the people of Delaware give to their own, unique Red Cross society. We pray that it will be always forthcoming in order that our answer may always be "We serve."

ETHEL J. MYERS.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955

The Senate resumed the consideration of the bill (S. 2391) to amend the Defense Production Act of 1950, as amended.

Mr. FULBRIGHT. Mr. President, a letter from the Comptroller General regarding the bill which is the unfinished business has come to my attention, and I think it warrants consideration by the Committee on Banking and Currency. I therefore ask unanimous consent that the unfinished business be temporarily laid aside.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LEASING OF SPACE FOR FEDERAL AGENCIES IN THE DISTRICT OF COLUMBIA

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 708, Senate bill 1210.

The ACTING PRESIDENT pro tempore. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1210) to amend the Public Buildings Act of 1949 so as to eliminate the 1-year limitation on the period of leases of space for Federal agencies in the District of Columbia.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1210) which had been reported from the Committee on Public Works with an amendment.

AMERICA MUST DEVELOP POWER SITES TO THE FULL TO MAINTAIN INTERNATIONAL LEADERSHIP

Mr. NEUBERGER. Mr. President, while the national administration proceeds with plans to scuttle the finest hydroelectric power site in North America, the Soviet Union is launching the greatest program in its history to tap the kilowatts which lurk in the swift reaches of Russia's vast rivers.

Fortunately, the United States still leads Russia by a wide margin in power production. Yet, Mr. President, the Russian waterpower potential is larger than the American potential. Are we going to settle for less than full development of our best sites for water power, while the Soviet Union is engaged in an allout effort to add to its energy supplies?

The Joint Committee on the Economic Report recently announced that the hydroelectric-power potential of all of North America—and this includes the marvelous Canadian sites on the St. Lawrence, Fraser, and upper Colorado Rivers—totals 363,920,000,000 kilowatt-hours. But that of the Soviet Union totals 469 billion kilowatt-hours.

This is a fact of life, Mr. President. It is not something which will be dispelled by political speeches or by Hoover Commission reports bewailing the existence of TVA and the Bonneville Power Administration. The Soviet Union may not catch up with us in power production during the lifetime of any person now sitting in Congress, but no one can know how long the so-called cold war will last; nor can we abandon or neglect the interests of Americans of the future.

The magnitude of the power developments now being undertaken by Russia are sufficiently impressive to give any patriotic American pause; and during this pause, that American might well want to review the attitude of the present Republican administration toward such power sites as Hells Canyon.

HELLS CANYON VITAL TO AMERICAN SUPREMACY

Hells Canyon, on the Snake River, is the strategic powersite remaining in the Columbia River Basin, where lurks 42 percent of all the potential hydroelectric energy of the United States. A high Federal dam in Hells Canyon, as recommended by the famous 308 report of the Corps of United States Army Engineers, could generate 686,000 kilowatts at the location of the dam. Furthermore, the extra flow from its reservoir, released at timely moments during the dry season, could add 436,000 kilowatts to the annual power production of such dams further downstream as McNary, The Dalles, John Day, and Bonneville. Thus the total output due to Hells Canyon would amount to 1,122,000 kilowatts.

Yet because of the policy of the present national administration concerning public power, it is highly possible that the splendid Hells Canyon site will go to the Idaho Power Co. for piecemeal development. A Federal Power Commission examiner already has recommended that the Hells Canyon site be given over for erection of the proposed Brownlee Dam, an Idaho Power Co. structure which will generate 221,000 kilowatts of firm power. Thus, the United States would be swapping a horse for a rabbit, and this fact is recognized by the Federal Power Commission examiner himself. Indeed, he wrote in his opinion:

> The facts seem to point to the inescapable conclusion that with the marked and substantial advantage of the Government's credit, the high dam would be dollar for dollar the better investment and the more nearly ideal development of the Middle Snake.

But, concluded the examiner, it still is necessary to license the Idaho Power Co. to go ahead with construction of Brownlee Dam because Congress, in its present political mood, is unlikely to authorize high Hells Canyon Dam. In other words, inasmuch as Congress will not recognize national needs and engineering facts, a Federal agency is advised by one of its staff of examiners to follow the least desirable of two alternatives, so far as the full generation of electric power is concerned.

SOVIET UNION TAPPING ENERGY OF VOLGA RIVER

In the struggle between the free world and the Soviet world, energy reserves will play a decisive role in the ultimate production of nuclear weapons, as well as of more conventional armaments. Energy also is decisive in the manufacture of the articles of peace, those manufactured goods which contribute to a nation's living standards.

Raymond P. Brandt, famous Washington correspondent of the St. Louis Post-Dispatch, has just reported from Russia that "one objective of the fifth 5-year program is to increase electric-power production in the Soviet Union so that by the end of this year, it will be 80 percent above the 1950 output. This is possible."

Huge waterpower projects are under construction, according to the Christian Science Monitor, at Kuibyshev, Gorky, and Stalingrad. The Kuibyshev Dam will eventually generate 2 million kilowatts of power, and that at Stalingrad 1,700,000 kilowatts. The Kuibyshev project is claimed by Soviet sources, with their accustomed boastfulness and exaggeration, to be the largest hydroelectric powerplant ever built. Actually, the capacity of 2 million kilowatts will be just about equal to that at Grand Coulee, on the Columbia River. Another reported Soviet project is the

Kakhovka unit with a capacity of 250,000 kilowatts. Gorky is scheduled for full production in 1955.

There is an ironic significance to this situation, because a private power company in the Pacific Northwest once almost succeeded, under circumstances similar to those now existing at Hells Canyon, in preventing Grand Coulee Dam from being constructed.

In the 1920's the Washington Water Power Co. applied for a license to build a small powerplant at Kettle Falls, in the reservoir area of the proposed Grand Coulee project. Grand Coulee, even then, was being advocated by public-power leaders like Clarence C. Dill, the late Rufus Woods, Homer T. Bone, and the late Jim O'Sullivan. Had Washington Water Power been granted a license to build at Kettle Falls, there could have been no Grand Coulee high dam. In other words, Kettle Falls in the 1920's was exactly what Brownlee Dam is in the 1950's to Hells Canyon.

GRAND COULEE ESSENTIAL TO AMERICAN DEFENSE PRODUCTION

But the dog-in-the-manger structure at Kettle Falls never was built. Farsightedness prevailed over backward-sightedness.

As a result, Grand Coulee today is the greatest powerplant in the world. During World War II, its electricity made possible the aluminum production to support an output of 50,000 combat planes a year. Still more important, its energy stoked the Hanford atomic works, where plutonium for the atomic bomb underwent its final processing. On top of all this, Grand Coulee has made possible immense increases in peacetime manufacturing and employment in the Pacific Northwest, to say nothing of thousands of irrigated homesteads where valiant ex-GI's are getting a new start in life.

If Hells Canyon is given away to the Idaho Power Co., Mr. President, what will the people of the future say of this generation of Americans in public affairs? Will we have failed our trust where it really counted—in the wise and fruitful use of a basic natural resource?

I think the Senate should know all the facts which are currently available on hydroelectric power production in the Soviet Union. Waterpower is a renewable resource. Energy can be generated from thermal fuels such as oil, coal, natural gas, and even atomic products. But this type of generation depletes fuels which are not necessarily renewable. Every kilowatt of electricity means a certain quantity of fuel which is gone forever. The water of the Columbia, Volga, Snake, Yenesei, and Don Rivers, by contrast, flows on and on as long as "the sun shall set in the sky and grass shall grow on the hills," to quote an ancient American Indian phrase.

Thus, the race between the two most powerful nations of the world in the generation of hydroelectric power, may ultimately prove to be the decisive contest of our times. In the race to maintain leadership in the cold war, our Nation should not be led down a course which will reduce the number of kilowatts needed for the future.

Mr. President, agencies of our Federal Government report that available information on Soviet hydroelectric projects is admittedly sketchy. Perhaps the developments undertaken are greater or less than is indicated by the few facts which have seeped through the Iron Curtain. However, even this information indicates that Russia has launched a river-development program of considerable magnitude. This is revealed in a summary of the main features of Soviet hydroelectric projects which was prepared by the Department of State. Mr. President, I ask unanimous consent to have included with my remarks the State Department material on this subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAIN FEATURES OF THE MAJOR CURRENT HYDROELECTRICAL PROJECT IN THE U. S. S. R.

THE KUIBYSHEV PROJECT

The Kuibyshev center will consist of a hydroelectric power station, an earth and ferroconcrete dam, and several locks. Construction begun in 1950. Construction to be completed in 1955.

Electric power station: Location (river), Volga, above Kuibyshev. Installed capacity (thousand kilowatts), 2,000. Output (average year, billion kilowatts), about 10. Number of generators, 20. Capacity of each generator, 100,000 kilowatts.

Dam: Location, just below the town of Stravropol. Length, 5 kilometers. Width, 30 meters. Height in channel part, 42.5 meters.. Length of the water reservoir, 500 kilometers. Width of the water reservoir, 40 kilometers. Overflow of water over the dam in good years up to 70,000 cubic meters per second from a heighth of 26 meters. The dam will be crossed by two railroad lines and an automobile road.

Electric power:

Distribution of electric power:	*Billion kilowatt-hours*
Moscow	6.1
Cities of surrounding area	2.4
Central chernozem area	0
Irrigation	1.5

Transmission lines: Length, 800 to 1,000 kilometers. Voltage, 400 kilovolts (alternating current).

Estimated cost of current, 3 kopecks per 1 kilowatt-hour.

Irrigation: Agricultural regions to be irrigated, the trans-Volga region. Area to be irrigated, 1 million hectares.

Construction: Volume of basic construction work at Kuibyshev: Earth, about 140 million cubic meters. Concrete, about 6 million cubic meters.

Volume of work in 1 year at the height of construction:	*Million cubic meters*
Earth work, total	47.0
Excavation	25.0
Filling	22.0
Concrete	2.5

Labor: Size of the labor force expected to work on the Kuibyshev project, 35,000 (maximum).

Main objective of the project: To provide electric power to the central and Volga regions of the U. S. S. R.

THE STALINGRAD PROJECT

Construction begun 1951. Construction to be completed 1956.

Electric power station: Location (river) Volga, north of Stalingrad. Installed capacity (thousand kilowatts), 1,700. Output (average year, billion kilowatt-hours), about 10.0. Capacity of each generator, 100,000 kilowatts.

Dam: Length, over 5 kilometers. Height (in the earth filled part), 45 meters. Length of the water reservoir, 600 kilometers. Width of the water reservoir, 30 kilometers.

Distribution of electric power:	*Billion kilowatt-hours*
Moscow	4.0
Cities of surrounding area	2.8
Central chernozem area	1.2
Irrigation	2.0

Transmission lines: Length, 800–1,000 kilometers. Voltage, 400 kilovolts (A. C.).

Irrigation (original plan; current objective substantially smaller): Agricultural regions to be irrigated and/or supplied with water; the Trans-Volga region; the northern part of the Caspian lowlands, Sarpinskaya lowlands; Black-soil lands; Nogalskaya steppes. Length of irrigation canals (main), 600 kilometers. Area to be irrigated, 1.5 million hectares. Area to which water will be supplied (including some irrigation), about 11.5 million hectares.

Construction: Volume of basic construction work at Stalingrad and the main irrigation canal: Earth, about 430 million cubic meters. Concrete, about 5.4 million clubic meters.

Volume of work in 1 year at the Stalingrad center at the height of construction:	*Million cubic meters*
Earth work, total	27.0
Excavation	16.0
Filling	11.0
Concrete	2.1

Main objective of the project to provide electric power to the Central and Volga regions. In addition this station is to play an important role in the irrigation of the Trans-Volga region.

With the construction of the Kuibyshev and Stalingrad stations, 80 percent of hydroelectric resources of the Volga between Kalinin and Stalingrad will be utilized.

THE KAKHOVKA PROJECT

Preliminary work begun in 1951. Construction of the Kakhovka Power Station and of a small hydroelectric power station (capacity 10,000 kw.) at the dam of the Molochnaya River reservoir (north of Melitopol) was planned to be completed in 1956. Work on this project was expedited so that 2 generators are now scheduled to go into operation at the end of 1955.

Electric power station (Kakhovka): Location (river), Dnieper, South of Kakhovka. Installed capacity (thousand kilowatt), 250. Capacity of each generator not announced; probably 50,000 kilowatts. Output (average year, billion kilowatt-hours), 1.2.

Distribution of electric power:	*Billion kilowatt-hours*
Cities of surrounding area	0.6
Irrigation	0.6

Irrigation (original goal; now substantially scaled down): Agricultural regions to benefit from the Kakhovka Power Station project and the South Ukrainian and North Crimean canals: Kherson, Zaporozh'e, Nikolaev, Dnepropetrovks oblasts of the Ukraine, northern Crimea. Length of the irrigation canals, total, 910 km. Main, 550 km. Secondary canals, 360 km. Area to be irrigated, 1.5 million hectares. Area to which water will be supplied, 1.7 million hectares.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of July 19, 1955
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CONTENTS

HIGHLIGHTS: Senate passed defense production bill. Senate committee ordered reported mutual security appropriation bill. Sens. Humphrey and Langer discussed USDA grain storage facilities. House received conference report on Labor-HEW appropriation bill. House debated minimum wage bill.

HOUSE

1. APPROPRIATIONS. Received the conference report on H. R. 5046, the appropriation bill for the Departments of Labor and Health, Education, and Welfare (H. Rept. 1272) (pp. 9414-6).

2. MINIMUM WAGE. Commenced debate on H. R. 7214, to raise the minimum wage to $1 as in the Fair Labor Standards Act (pp. 9418-59). Reps. Arends and Barden suggested that the increase would be to the detriment of the American farmer (p. 9427). Rep. Powell raised the problem of the Puerto Ricans, the indigenous farming, and discriminations in farming in the Territories and Possessions (pp. 9429-31).

3. SOIL CONSERVATION. Both Houses received a report from the Comptroller General on the audit of SCS; referred to the Government Operations Committee (pp. 9341, 9465).

4. EDUCATIONAL EXCHANGE. Received the 14th semiannual report on the educational exchange program from the Chairman, U. S. Advisory Commission on Educational Exchange; referred to the Foreign Affairs Committee (p. 9465).

5. HOUSING. Received a report from the Administrator, Housing and Home Finance Agency, on an overexpenditure of an allotment of funds within the Federal Housing Administration; referred to the Appropriations Committee (p. 9465).

6. MINERALS. The Interior and Insular Affairs Committee issued a supplemental report on H. R. 6373, without amendment, providing for an extension of the programs to encourage the discovery, development, and production of domestic minerals (H. Rept. 1070, Pt. 2) (p. 9465).

The committee also approved an amendment to be offered on the House floor during consideration of H. R. 6373.

7. LANDS. The Public Works Committee reported without amendment H. R. 593, to convey by quitclaim deed certain land to the State of Texas (H. Rept. 1271) (p. 9466).

8. RECLAMATION; ELECTRIFICATION. Received a petition from the general manager, the port of Portland, Portland, Oreg., requesting passage of H. R. 5789, relating to the John Day Dam; referred to the Public Works Committee (p. 9468).

9. DEFENSE PRODUCTION. The Banking and Currency Committee ordered reported H. R. 7470, amended, to extend the Defense Production Act. This is a clean bill and supersedes the original measure, H. R. 7071 (p. D733).

10. SMALL BUSINESS. The Banking and Currency Committee ordered reported with amendment S. 2127, to amend the Small Business Act. The amendment consisted of striking out the text of the Senate bill and inserting in lieu thereof the language of the House bill (H. R. 7256) (p. D733).

11. PERSONNEL. The House Administration Committee ordered reported H. R. 3084, to remove restrictions placed on State employees by the Hatch Act relating to political activities in elections for Federal officers (p. D734).

12. FARM-CITY WEEK. The Judiciary Committee ordered that H. J. Res. 317, designating the last week in October of each year as National Farm-City Week to be returned to Subcommittee No. 4 for further consideration (p. D734).

13. HIGHWAYS. The Public Works Committee introduced a new bill, H. R. 7474, incorporating the revised revenue provisions to be contained in the Federal-aid highway construction proposal (p. D734).

14. WATER POLLUTION. The Ways and Means Committee ordered reported on Fri., July 15, H. R. 3547, amended, providing accelerated amortization of stream pollution facilities (p. D735).

SENATE

15. DEFENSE PRODUCTION. Passed with amendments S. 2391, to extend the Defense Production Act for 2 years (pp. 9358-85). Agreed to Frear amendments barring "without compensation" appointments as director or head of any policy-making position after Oct. 31, 1955, except in time of war or emergency, and barring appointments of individuals to negotiate or execute contracts in which they

have a direct or indirect interest (pp. 9358-60). Agreed to a Fulbright amendment requiring USDA certification for development of certain substitutes for critical and strategic materials (p. 9362). Agreed to, 46 to 45, a Capehart amendment permitting the continued use of business experts without compensation as advisors to appropriate full-time salaried Government officials who are responsible for making policy decisions (pp. 9363-80).

16. SURPLUS COMMODITIES; FOREIGN TRADE. S. 2253, to increase funds for Public Law 480, was made the unfinished business (p. 9392).

17. FAO. Received a draft of proposed legislation from the State Dept. to amend certain laws providing for membership and participation by the U. S. in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor; to Foreign Relations Committee (p. 9341).

18. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 605, to provide for the abolition of the 80-rod reserved space between claims on shore waters in Alaska (S. Rept. 1025) (p. 9342).

19. WATER COMPACT. The Public Works Committee reported with amendment S. 2260, granting a compact between Ark., La., Okla., and Tex. for an apportionment of the waters of the Red River and its tributaries (S. Rept. 1030) (p. 9342).

20. COMMITTEE PERSONNEL. Received reports from the Senate committees showing name, profession, and total salary of each person employed by them for the period from Jan. to June, 1955 (pp. 9342-50).

21. MINERALS. Upon request of Sen. Goldwater, S. 922, to amend the Domestic Minerals Program Extension Act of 1953, was recommitted to the Interior and Insular Affairs Committee (p. 9351).

22. CORN. Sen. Flanders inserted an article, "The Tassel of the Corn", suggesting that the tassel of the corn be made the national flower (p. 9354).

23. TREATIES. Sen. Langer urged that the Senate be given an opportunity to vote on the Bricker amendment and inserted a Washington Post and Times Herald article on the subject (p. 9354).

24. PERSONNEL. Passed as reported S. 59, making retroactive to Apr. 1, 1948, a 1949 amendment to the Civil Service Retirement Act extending to each retiring married female employee the privilege of naming her husband to receive a survivor annuity in event of her death, similar to the annuities which retiring male employees are able to provide for their wives through the 1948 amendment (p. 9357).

25. SOCIAL SECURITY. Sen. Neuberger stated that the Senate at this session should consider amendments to the Social Security Act andurged that public hearings begin as soon as possible (p. 9387).

26. WHEAT. Sen. Neuberger inserted a Commonweal article critical of the domestic parity plan for wheat and Joe Spiruta's, Oregon Wheat Commission, answers to the criticisms (pp. 9387-9).

27. GRAIN STORAGE. Sen. Humphrey criticized the administration by this Department in the contracting for the construction of grain storage bins, of which "approximately 8,960 of the bins were defective" (pp. 9390-1).

Sen. Langer discussed criticisms made during the previous administration regarding the handling of grain storage facilities and stated that a "great effort" is being made by this administration to protect the small farmer (pp. 9397-9).

28. ELECTRIFICATION. Sen. Johnston discussed the administration's power policies and commended the rural electric cooperatives (pp. 9399-9401).

29. AGRICULTURAL DELEGATES. Sens. Langer, Humphrey and Wiley suggested programs of possible interest for the visiting Soviet agricultural delegates (pp. 9392-3).

30. FOREIGN AID. The Appropriations Committee ordered reported the mutual security appropriations bill (p. D830).

31. RECLAMATION. The Interior and Insular Affairs Committee ordered reported the following bills: S. 1683, to amend act limiting boundaries of the Yuma auxiliary project, Ariz.; S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation projects; S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; S. 730, compact between Kans. and Okla. for waters of the Ark. River; and S. 926, authorizing construction, operation, and maintenance of Ventura River reclamation project, Calif. (p. D831).

32. LEGISLATIVE PROGRAM. Sen. Clements announced that following action today on S. 2253, to increase funds for Public Law 480, it is hoped that the Philippines trade bill and other minor bills may be considered; that on Friday it is important for the foreign-aid bill to be considered; and that the consent of the Senate will be requested for a calendar call on Saturday (pp. 9391-2).

BILLS INTRODUCED

33. RICE. S. 2573, by Sen. Daniel, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to Agriculture and Forestry Committee (p. 9350).

34. PERSONNEL. H. R. 7457, by Rep. Baker, H. R. 7462, by Rep. Kelly, and H. R. 7475, by Rep. Frazier, "to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended;" to Post Office and Civil Service Committee (p. 9467).

H. R. 7465, by Rep. Staggers, to establish the Federal Agency for Handicapped, to define its duties; to Education and Labor Committee (p. 9467).

35. DEFENSE PRODUCTION. H. R. 7470, by Rep. Spence, "to amend the Defense Production Act of 1950, as amended;" to Banking and Currency Committee (p. 9467).

ITEMS IN APPENDIX

36. FOREIGN AID. Rep. Cretella inserted an editorial from the Jerusalem Post expressing appreciation for technical assistance and loan afforded the Israeli Government (pp. A5310-1).

37. HOOVER COMMISSION. Rep. Udall inserted a newspaper editorial opposing the Hoover Commission Report's recommendation on "liquidation" of public power, and non-Federal participation in power projects (p. A5272).

84TH CONGRESS
1ST SESSION

S. 2391

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 1955

Referred to the Committee on Banking and Currency

AN ACT

To amend the Defense Production Act of 1950, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1955".

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some

diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States."

SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "1963" in subsection (b) and inserting in lieu thereof "1965"; and

(2) by adding at the end thereof a new subsection as follows:

"(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials."

SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian

market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or

otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration, their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of

the first sentence of subsection (b) a colon and the following: "*Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used exclusively by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by clause (2) of the proviso in the preceding sentence, and the activities being carried on thereunder, and, if he finds, after

such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 7. Section 710 of the Defense Production Act of 1950, as amended, is amended—

(1) by amending subsection (b) thereof to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation. This authority may be delegated to heads of departments or agencies delegated or assigned functions under this Act but may not be redelegated by them. In order to carry out the policy of the Congress that, so far as possible, operations under this Act shall be carried on by full-time, salaried employees of the Government, heads of departments and agencies in making appointments under this subsection shall certify to the following with respect to each such appointment:

"(A) That the appointment is necessary and appropriate in order to carry out the provisions of this Act;

"(B) That the duties of the position to which the appointment is being made require outstanding experience and ability;

"(C) That the appointee has the outstanding experience and ability required by the position; and

"(D) That the department or agency head has been unable to obtain a person with qualifications necessary for the position on a full-time salaried basis.

"(2) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(3) The President is authorized to provide by regulation for the exemption of persons appointed under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99); except that such exemption shall not extend to the following:

"(A) To the negotiation or execution by an appointee under this subsection of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee or his private employer has any direct or indirect interest;

"(B) To the making of any recommendation or the taking of any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock com-

pany, association, firm, partnership or other entity in the pecuniary profits or contracts of which the appointee or his private employer has any direct or indirect interest;

"(C) To the prosecution by the appointee, or participation by the appointee in any fashion, in the prosecution of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"(D) To the receipt or payment of salary in connection with the appointee's service under this subsection from any source other than the private employer of the appointee at the time of his appointment under this subsection.

"(4) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment."; and

(2) by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and by

inserting after subsection "(d)" a new subsection as follows:

"(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99)."

SEC. 8. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 9. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1957".

SEC. 10. The Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, is amended by adding at the end thereof the following new section:

"SEC. 26. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Institute, West Virginia, known as Plancor Numbered 980, shall not expire until the end of the sixty-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor Numbered 980 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period of not to exceed seventy-five days for the purpose of entering into a definite contract of sale.

"(c) Within ten days after the termination of the actual negotiation period referred to in subsection (b) or, if Congress is not then in session, within ten days after Congress next convenes, the Commission shall prepare and submit to the Congress a report containing, with respect to the

disposal under this section of Plancor Numbered 980, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of thirty days of continuous session (as defined in section 3 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such thirty-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within thirty days after the expiration of such thirty-day period. The failure to complete transfer of possession within thirty days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract for sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor Numbered 980 has become effective, the operating agency last designated by the President shall continue to maintain said Plancor in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953."

SEC. 11. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953,

the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor Numbered 980, shall submit it to the Attorney General, who shall, within seven days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 12. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this Act, to the close of the day of transfer of possession of Plancor Numbered 980 to a purchaser in accordance with the provisions of section 26 of the Rubber Producing Facilities Disposal Act.

SEC. 13. Notwithstanding the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by the latter Act shall cease to exist at the close of the thirtieth day following the termination of the transfer period provided for in section 26 (c) of that Act, unless no sale of Plancor Numbered 980 is recommended by the Commission pursuant to section 26 (c) of that Act, in which event the Commission shall cease to exist at the close

of the one hundred and thirtieth day following the date of enactment of this Act.

SEC. 14. Except as otherwise provided in this Act, disposal of Plancor Numbered 980 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that Act: *Provided,* That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that Act shall not apply, to the disposal of Plancor Numbered 980. As promptly as practicable following the date of transfer of possession of Plancor Numbered 980 to a purchaser under this Act, the operating agency last designated by the President shall offer for sale to such purchaser the end products at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter dis-

posed of in such manner as the operating agency deems advisable. In the event Plancor Numbered 980 is not sold under the provisions of this Act, any end products at such plant and held in inventory for Government account and any feedstocks located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 15. The provisions of this Act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor Numbered 980; and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953, or the amendment thereto known as Public Law 19, enacted March 31, 1955, prior to the enactment of this Act shall be governed by the provisions of that Act as it existed prior to the enactment of this Act and shall have the same force and effect as if this Act had not been enacted.

Passed the Senate July 19, 1955.

Attest: FELTON M. JOHNSTON,

Secretary.

84TH CONGRESS
1ST SESSION

S. 2391

AN ACT

To amend the Defense Production Act of 1950, as amended, and for other purposes.

JULY 20, 1955
Referred to the Committee on Banking and Currency

84TH CONGRESS
1ST SESSION

H. R. 7470

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1955

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Defense Production Act of 1950, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1955".

SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such ma-

terial, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "*Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being pro-

cured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder. and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include

studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within twelve months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the Act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the

receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"(8) At least once every three months the Chairman of the United States Civil Service Commission shall survey

appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper."

SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

84TH CONGRESS
1ST SESSION

H. R. 7470

A BILL

To amend the Defense Production Act of 1950, as amended.

By Mr. SPENCE

JULY 19, 1955

Referred to the Committee on Banking and Currency

Mr. CARLSON. Mr. President, since the Federal gasoline tax is considered as a use tax—that is, a tax for using the highways—it is clearly inconsistent to collect the tax on gasoline used for nonhighway purposes.

The major form of nonhighway use of gasoline is on farms. Gasoline used on a farm is one of a number of farm-production supplies—for instance, gasoline, farm machinery, insecticides, feed, fertilizer, and so on. There is no relationship whatsoever between these production supplies and the use of highways. It would be just as illogical to tax fertilizer and to use the proceeds of the tax for building highways as it would be to tax gasoline used on the farms for highway purposes. I do not know of any other industry in which a production supply is taxed to build highways.

Looked at in another way, gasoline used on a farm is a source of power. If power used on the farm is to be taxed to build highways, it would be just as equitable to tax power used in other industries to build highways. We might, for example, tax coal, or electricity, or oil, or natural gas, or diesel fuel, and use the money thus acquired to build highways. But it would not be logical to tax these sources of power for this purpose, nor is it equitable or logical to tax gasoline used on the farm to build highways.

The taxation non-highway-used gasoline to build highways is, in my opinion, inequitable and illogical, and certainly it is discriminatory.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 677, Senate bill 59.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 59) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments, on page 1, at the beginning of line 6, to insert "insofar as it relates to the amount of the reduction in the annuities of officers and employees who elect to receive reduced annuities under such section", and at the beginning of line 11, to strike out "retire" and insert "retired", so as to make the bill read:

Be it enacted, etc., That the amendment approved September 30, 1949 (Public Law 310, 81st Cong.), to section 4 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, insofar as it relates to the amount of the reduction in the annuities of officers and employees who elect to receive reduced annuities under such section, shall take effect as of April 1, 1948, but no increase in annuity shall be payable by reason of such amendment, to those who retired on or after April 1, 1948, and prior to October 1, 1949, for any period prior to the first day of the first month which begins after the date of enactment of this act.

The amendments were agreed to.

Mr. CAPEHART. Mr. President, has the minority leader been consulted with the regard to the consideration of this bill?

Mr. CLEMENTS. I am glad to advise my friend from Indiana that the question of taking up the bill today was discussed with the minority leader several days ago, and it has his approval. It is my understanding that the chairman of the committee, [Mr. JOHNSTON] of South Carolina, who has handled this proposed legislation, will make the statement that it is also in accord with an understanding which he has with the ranking Republican Member of the committee [Mr. CARLSON].

Mr. CAPEHART. Exactly what does the bill do?

Mr. JOHNSTON of South Carolina. Mr. President, the bill affects only about 5,600 employees who have retired. In 1948 Congress enacted a bill which authorized a husband, at the time of his retirement, to elect a survivorship annuity payable to his widow equal to 50 percent of the annuity otherwise payable to him. To obtain the benefit of this provision, the husband was required to take a reduction of 10 percent in the annuity payable to him.

In September 1949, we reduced the deduction on the first $1,500 of the husband's annuity from 10 to 5 percent for those who retired after that date. We want them all placed in the same category.

Mr. CAPEHART. I have no objection.

Mr. CLEMENTS. Mr. President, I should like to ask the chairman of the committee if he made it clear in the RECORD that this measure had the unanimous approval of the committee?

Mr. JOHNSTON of South Carolina. My committee was unanimous in reporting the bill.

Mr. CLEMENTS. I appreciate very much that statement on the part of the chairman of the committee. The reason I wish to have it appear in the RECORD is that the bill has been on the calendar for a considerable time. On several occasions consideration has been given to the question of taking up the bill. I thought that that statement should be placed in the RECORD because of the delay in bringing up the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. J. CROZAT, JR.

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 865, Senate bill 1352, a bill for the relief of A. J. Crozat, Jr.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1352) for the relief of A. J. Crozat, Jr., which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the word "of" where it appears the first time, to strike out "$25,000" and insert "$10,000", and on page 2, line 3, after the word "act", to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. J. Crozat, Jr., New Orleans, La., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said A. J. Crozat, Jr., against the United States on account of permanent physical disability resulting from the withdrawal of blood, to be used in the treatment of members of the Armed Forces of the United States, at a Red Cross blood donor center in New Orleans, La., on December 13, 1943: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RAYMOND D. BECKNER

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 866, Senate bill 1584, a bill for the relief of Raymond D. Beckner.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1584) for the relief of Raymond D. Beckner, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 9, after the word "States", to strike out "for hospital, medical, and other expenses incurred in the treatment of the said Lulu Stanley Beckner, who suffered a paralytic stroke and become totally disabled" and insert "arising out of a paralytic stroke suffered by said Lulu Stanley Beckner", and on page 2, line 7, after the word "Act", to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Raymond D. Beckner and Lulu Stanley Beckner, Fairmont, W. Va., the sum of $4,953.50. The payment of such sum shall be in full settlement of all claims of the said Raymond D. Beckner and his wife, Lulu Stanley Beckner, against the United States arising out of a paralytic stroke suffered by said Lulu Stanley Beckner on November 5, 1943, as the result of furnishing blood to a blood bank operated in Fairmont under the wartime blood donor program which was conducted for the armed services by the American National Red Cross: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered

to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Raymond D. Beckner and Lulu Stanley Beckner."

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

John M. Allison, of Nebraska, and sundry other persons for appointment and promotion in the Foreign and Diplomatic Service.

By Mr. BYRD, from the Committee on Finance:

Marion B. Folsom, of New York, to be Secretary of Health, Education, and Welfare; and

H. Chapman Rose, of Ohio, to be Under Secretary of the Treasury.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Caleb M. Wright to be United States district judge for the district of Delaware.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Joseph Mainelli to be United States Attorney for the District of Rhode Island.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. I ask that the President be immediately notified of the nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. I move that the Senate resume the consideration of the legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENT OF DEFENSE PRODUCTION ACT OF 1950

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 700, S. 2391.

The PRESIDING OFFICER. The secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2391) to amend the Defense Production Act of 1950.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. FREAR. Mr. President, the Committee on Banking and Currency has reported a new bill, S. 2391, which would extend the Defense Production Act for 2 years, to June 30, 1957.

As the earlier law, the 1953 amendments, expired June 30 of this year, a temporary extension to July 31, 1955, has been enacted.

Unless further action is taken, the powers remaining in the Defense Production Act of 1950, as amended, will expire on July 31 of this year.

The Defense Production Act, as passed in 1950, was a major measure containing the powers needed to mobilize the entire economy in support of the national security.

It included allocation and priority powers, requisitioning, financial aids to expansion of capacity and supply, price and wage control, measures to help in settling labor disputes, and credit controls.

On the whole, the powers proved ample for the purpose. The military requirements were filled, and supply was increased so that the period of acute shortages and of rapidly increasing prices was fairly well over by 1953, when many of the powers were dropped, including price, wage, and credit controls.

Since that time the allocation and priority powers have been used, as provided in the act, almost exclusively for the purpose of channeling materials and equipment to the military and AEC.

In view of the huge continuing defense program, the committee had no question that the request of the Office of Defense Mobilization for extension of these allocation and priority powers should be granted, and the bill does so.

The committee adopted one amendment related to the allocation authority, the principal effect of which is to remove obsolete dates from the provisions concerning allocations in the civilian market. These provisions are now academic, because there are no such allocations. They would be important, of course, if such allocations were reimposed. The amendment is fully explained in the report.

The Office of Defense Mobilization requested two amendments relating particularly to its authority to provide financial assistance in the increase of productive capacity and supply. Both of these amendments, which are little more than clarifications of the existing authority, were approved and are included in the bill.

The first was an amendment to the declaration of policy, which emphasizes ODM's responsibility for preparing for a possible future full mobilization, particularly ODM's authority to use the financial devices in title III of the act to provide standby plant facilities and machine tools, and to procure and stockpile essential components which cannot be produced rapidly, turbines and gears, for example.

The second change would make specific ODM's authority to develop substitutes for scarce strategic and critical materials.

In order to avoid the possibility that money might be spent to develop substitutes for materials or commodities which are not scarce, the committee instructed ODM to obtain the advice of the responsible department or agency as to the scarcity of any material before undertaking any development program.

The declining share of procurement going to small business and the decreasing degree of subcontracting to small firms give grave concern to the committee because of the fundamental effect they may have on our competitive economy and our whole way of life. The Office of Defense Mobilization was, therefore, instructed to investigate all practicable means of increasing the small-business share of procurement, and to report back in 6 months, showing what had been done and what further action was needed.

The committee views this study and report as a matter of major importance, and one which has very great possibilities for constructive action.

ODM, and all the agencies it consults, must use energy and imagination in finding ways to solve the problem.

ODM requested that the present authority to exempt participants in voluntary agreements from the antitrust laws be extended for 2 years, and that, in addition, the President be authorized to grant such a waiver for as much as 20 years beyond the expiration date of the act. The section involved, section 708 of the Defense Production Act, is an exception to the antitrust law and policies of the United States, policies which the Committee on Banking and Currency has neither wish nor jurisdiction to handle under ordinary circumstances.

Section 708 was included in the Defense Production Act by the Banking and Currency Committee only because it was convinced that such a provision was essential to the full mobilization of the industrial economy. It is, of course, the intention of the committee to recommend extension of such an exception only so long as and so far as clearly necessary to the mobilization effort.

If permanent amendments to the antitrust laws, not a necessary part of the mobilization program, are desired, they should be referred to the Committee on the Judiciary, which is familiar with and responsible for the antitrust laws.

Accordingly, the committee scrutinized ODM's requests carefully, to find out on the one hand how essential they were to the mobilization program, and on the other hand, how much danger to

the competitive free enterprise system was involved.

The testimony in support of the voluntary agreements under which suppliers of an exclusively military product to the Defense Department could exchange production know-how led the committee to extend the authority to enter into and carry out such agreements for 2 years.

The committee, however, was not equally satisfied with the few remaining nonmilitary voluntary agreements, though it noted with satisfaction that most of the agreements were being promptly terminated as soon as their purpose had been served.

Two of these agreements seemed to be primarily information gathering devices, and there was no demonstration of inadequacy of section 705 of the act, under which ample information is obtained from most industries.

One agreement involved 5 of the defendants in the antitrust suit against the petroleum industry.

In view of the representations of the ODM and the Defense Department, the committee permitted these agreements to continue for 2 years, but required the Attorney General to review the agreements and the activities being carried on under them, and to terminate them if he found that the adverse effects on the competitive free enterprise system outweighed the benefit to the national defense.

The committee did not, however, extend the authority to enter into any new nonmilitary voluntary agreements, and it made specific the Attorney General's authority to withdraw his approval of any outstanding agreement.

As the report states, the committee looks to the Attorney General to protect the competitive economy of the country, and expects that he will not approve any new military agreements, and that he will withdraw his approval of outstanding agreements, unless he is satisfied that the defense benefits outweigh the adverse effects to the competitive economy.

The committee heard of no instances in which the proposed 20-year extension of the antitrust exemption would be helpful to the defense effort.

In the absence of a compelling statement of need, the committee did not approve this major amendment to the antitrust laws.

The ODM and the Department of Commerce urged a 2-year extension of the present authority to use w. o. c. employees, paid by their private employers under a waiver of the conflict of interest statutes, in policymaking positions.

The committee studied this matter carefully, and held an additional hearing so that Secretary Weeks and Dr. Flemming could give their views on the subcommittee amendment. The committee reached the conclusion that there was no compelling need, under present cricumstances, to extend the exception to the criminal laws provided by section 710 (b), in the case of persons serving in such policymaking positions as bureau, division, or section heads, or performing the functions of these positions.

While such an exception is considered necessary in time of war or full mobilization, in spite of the conflicts of interest it creates, it cannot be supported now, under quite different circumstances—circumstances which we may expect will last for years or decades.

These same men could still be used in subordinate positions, or in advisory and consultative positions, and they might also serve on industry advisory committees.

Thus their knowledge of industrial problems would still be available to the Government.

It was recognized that many of these men had performed valuable services to the Government during the emergency, and that in the event of full mobilization in the future the same exception would have to be granted again. For this reason, the committee approved a proposal made by ODM for an executive reserve, members of which would come to Washington for training or refresher courses for short periods, and would be available to fill executive positions during a period of full mobilization.

I think it would be appropriate to say, at this point, that most of these w. o. c. employees have performed a very valuable service to the country. No doubt there have been a few cases where they have not lived up to the trust imposed in them, but I am sure this is the rare exception. Many of them have come to Washington reluctantly, at considerable inconvenience to themselves. They have helped greatly in mobilizing the economy. I expect many of them have also learned to understand the workings of the Government, of democracy in action, much better than they would at home in their offices or plants.

I think most of them will appreciate the considerations which have led the committee to the conclusion that placing a man paid by a private firm in a position in a Government agency charged with the duty of regulating his firm's industry is hard on him and hard on his firm, and should only be done during a period of war or full mobilization.

The committee also inserted in the bill a number of provisions limiting the use of these industry-paid men and limiting the exemptions from the conflict-of-interest statutes.

These provisions are taken from Executive Order 10182.

They are included in the law to emphasize the requirements.

It is expected these requirements will be strictly observed, particularly the requirement that no industry paid employee may be employed unless it has proved impossible to find a qualified person who will serve on a full-time salaried basis subject to the conflict-of-interest laws.

Finally, the committee made two changes in the provision for the Joint Committee on Defense Production, which performs such valuable work in keeping the Congress informed of the day-to-day operations under the law.

The rate for stenographic services at joint committee hearings is increased to the standard rate of 40 cents a hundred words, and the ceiling on expenditures during a fiscal year is increased from $50,000 to $65,000.

The ODM, the Department of Defense, and the Commerce Department have urged the extension of the powers contained in the Defense Production Act.

With the changes in the law recommended by the committee, it will continue to assist in carrying out the current defense program and in carrying out plans to enable a rapid conversion to full mobilization.

I urge that S. 2391 be passed by the Senate.

Mr. President, I have two amendments which I should like to offer. They were unanimously agreed to by the committee at its meeting on July 8, 1955.

The first amendment permits industry paid employees, appointed under section 710 (b) and exempted from the conflict-of-interest statutes, to serve as bureau, division or section directors or to perform the functions of these positions in time of war or national emergency hereafter declared by the President; it continues the prohibition on appointments to, or the performance of the functions of, such positions, pending war or a future declaration of national emergency.

Mr. CAPEHART. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. CAPEHART. Does the Senator have extra copies of those amendments?

Mr. FREAR. Yes. I shall be happy to hand copies to the Senator.

The committee recognized that such appointments would be necessary during full mobilization, but had not included this provision in the bill, leaving the matter for further legislation at the time a subsequent emergency might arise. This amendment eliminates the need for subsequent action, putting this standby provision into the bill at this time.

Mr. President, I desire to offer a further amendment to the section which would be amended by the amendment to which I have just referred.

The PRESIDING OFFICER. Is the Senator offering his amendment at this time?

Mr. FREAR. Yes; Mr. President.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. It is proposed, on page 8, line 3, after the word "and", to insert the following: "after October 31, 1955."

Mr. CAPEHART. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. CAPEHART. Were the amendments unanimously agreed to by the committee?

Mr. FREAR. The one which I first presented was unanimously agreed to. The second one amends the amendment which was first presented by extending the date to October 31, 1955, for the w. o. c.'s who are now with the Government.

Mr. CAPEHART. What is the purpose of the amendment?

Mr. FREAR. To give them time to complete any business which they may have in motion, or to permit an orderly

changeover to full-time salaried employees.

Mr. FULBRIGHT. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. FULBRIGHT. Instead of being effective immediately, it gives them a little period of time to make an adjustment.

Mr. CAPEHART. I see no objection to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

The amendment was agreed to.

Mr. FREAR. Mr. President, the second amendment inserts the words "or his private employer" in two places in S. 2391. This eliminates the exception from the criminal statutes in cases where an industrypaid employee appointed under section 710 (b) negotiates or executes contracts with, or recommends or takes action on an application submitted by, a corporation or other entity in which his private employer is interested.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. On page 7, line 25, after "(2)", it is proposed to strike out "Appointments" and insert "Except in time of war or national emergency hereafter declared by the President, appointments."

On page 8, line 3, after the word "position", to strike out the comma, and in the same line, after the word "and", to insert "after October 31, 1955."

On page 8, line 17, after the word "appointee", to insert "or his private employer."

On page 9, line 1, after the word "appointee", to insert "or his private employer."

On page 9, line 7, after the word "this", to strike out "order" and insert "subsection."

Mr. CAPEHART. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. CAPEHART. We have no objection to the amendments.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Delaware.

The amendments were agreed to.

Mr. KILGORE. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. KILGORE. I wish to call up my amendment to Senate bill 2391, and I send to the desk a corrected copy. I have made two slight technical changes.

The PRESIDING OFFICER. Does the Senator from Delaware yield the floor?

Mr. FREAR. I first wish to yield to the Senator from Indiana if he desires the floor.

Mr. CAPEHART. The able Senator from West Virginia is offering an amendment to an amendment which the able Senator from Delaware offered, and which was accepted and has already become a part of the bill. If the Senator from West Virginia wishes to offer an amendment——

Mr. KILGORE. Mr. President, I wish to call up my amendment.

The PRESIDING OFFICER. The Chair will recognize the Senator from West Virginia if he wishes to offer an amendment in his own right.

Mr. FREAR. Mr. President, I yield the floor.

The PRESIDING OFFICER. In view of the length of the amendment, does the Senator from West Virginia desire to have his amendment read in full?

Mr. KILGORE. No.

The PRESIDING OFFICER. The amendment offered by the Senator from West Virginia will be printed in the RECORD.

The amendment offered by Mr. KILGORE was at the end of the bill, to insert the following:

SEC. 10. The Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, is amended by adding at the end thereof the following new section:

"SEC. 26. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Institute, W. Va., known as Plancor No. 980, shall not expire until the end of the 60-day period which begins on the date of enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 980 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period of not to exceed 75 days for the purpose and entering into a definite contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b) or, if Congress is not then in session, within 10 days after Congress next convenes, the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 980, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 3 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract for sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 980 has become effective, the operating agency last designated by the President shall continue to maintain said Plancor in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953."

SEC. 11. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 980, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 12. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubbert Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 980 to a purchaser in accordance with the provisions of section 26 of the Rubber Producing Facilities Disposal Act.

SEC. 13. Nothwithstanding the provisions of section 4 of Public Law 19, approved March 31, 1955 and notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by the latter act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 26 (c) of that act, unless no sale of Plancor No. 980 is recommended by the Commission pursuant to section 26 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

SEC. 14. Except as otherwise provided in this act, disposal of Plancor No. 980 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that act: *Provided*, That the provisions of sections 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply, to the disposal of Plancor No. 980. As promptly as practicable following the date of transfer of possession of Plancor No. 980 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 980 is not sold under the provisions of this act, any end products at such plant and held in inventory for Government account and any feedstocks located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 15. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 980; and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953, or the amendment thereto known as Public Law 19, enacted March 31, 1955, prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

Mr. KILGORE. Mr. President, the amendment has been submitted to the Committee on Banking and Currency, and has been studied by them. They are fully conversant with it. Only two technical changes are made in it, which do not appear in the amendment at the desk.

In section 13, on page 4, line 3, after the word "Notwithstanding", I propose to insert: "the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding."

On page 4, line 5, I propose to strike out "that" and insert in lieu thereof "the latter."

These two technical changes in the amendment were made at the suggestion of the Treasury Department and have the approval of that Department.

Mr. CAPEHART. Mr. President, we are perfectly willing to accept the amendment as modified.

Mr. KILGORE. I wish to make a brief statement for the RECORD as to what the amendment is intended to do. It would amend the Rubber Producing Facilities Disposal Act of 1953 so as to permit the sale of Plancor No. 980, at Institute, W. Va.

To save time, Mr. President, I ask unanimous consent that an explanatory statement I have prepared relative to the amendment may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KILGORE

My amendment would amend the Rubber Producing Facilities Disposal Act of 1953 to permit the sale of Plancor No. 980 at Institute, W. Va.

This legislation is similar to a bill enacted into law by the Congress to permit the Rubber Producing Facilities Disposal Commission to reoffer for sale the synthetic rubber plant at Baytown, Tex.

After enactment of that legislation, the Baytown plant was sold to the United Rubmer & Chemical Co., a newly formed subsidiary of the United Carbon Co. of Charleston.

During the life of the Rubber Producing Facilities Disposal Act of 1953 the Government did not receive any bids on the Institute, W. Va., plant.

Recently I introduced in the Senate a bill to enable the Government to sell the Institute plant for uses other than the production of synthetic rubber.

The Office of Defense Mobilizaion and the Department of Defense objected to that proposal on the ground that the capacity of the Institute plant to produce synthetic rubber would be needed to meet full mobilization requirements.

At the same time, Mr. Arthur S. Flemming, Director, of the Office of Defense Mobilization, advised me that he would support "every reasonable" effort to sell the plant for the production of GRS.

This amendment will enable the Government to reoffer this plant for sale. Any contract will contain all necessary safeguards including the national security clause.

My purpose in offering this amendment is to make certain that every effort is made to get this large industrial facility at Institute back into production at the earliest possible date.

Any sale approved by the Rubber Producing Facilities Disposal Commission will be submitted to Congress, in conformity with the original rubber disposal act.

Any contract will be submitted to the Attorney General for a report on whether the sale would constitute a violation of the antitrust laws.

I have discussed this matter with the distinguished Chairman of the Senate Committee on Banking and Currency, and he has expressed his approval. In addition I have been advised that the Treasury, the Department of Defense and the Office of Defense Mobilization favor this legislation.

The Government is amply protected in this legislation, which, in brief, will enable the Government to reoffer for sale as a synthetic rubber producing facility the plant at Institute, W. Va.

Mr. KILGORE. Under the old act no offers to purchase the Institute plant were made; but lately two companies have indicated a desire to buy the plant on the same terms and conditions under which other plants were sold, and as was done at Baytown. They have proposed to put the rubber production plant into operation immediately and do the same with it as was done with the other plants, and under the same terms and conditions.

Mr. FULBRIGHT. Mr. President, I wish to say a few words about the amendment, which I support. But first I ask unanimous consent to have a statement printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

The final disposal of the Baytown synthetic rubber plant under Public Law 19 of this Congress offers an excellent illustration of the results of competition.

We all speak in praise of competition, as an important element in our economy, but all too often this is mere lip service, the votes go the other way. A few comparisons between the results of the genuine competitive bidding under Public Law 19 and the results under the original Rubber Producing Facilities Disposal Act will show what the minority had in mind when it opposed the original disposals on the ground that the program:

(1) Did not adequately assure small businesses of a fair share of synthetic rubber at fair prices;

(2) Did not best foster the development of a free, competitive, synthetic-rubber industry;

(3) Did not return to the Government "full fair value" for the facilities; and

(4) Did not adequately safeguard the national security.

I

The successful bidder for the Baytown plant, United Carbon Co., has committed itself to make available 40 percent of its output for small business. This is a larger share for small business than any of the commitments by the original purchasers of GRS plants, which were as follows: 10 percent, 20 percent, 20 percent, approximately 15,000 tons out of a capacity of 90,000 tons (i. e., 16⅔ percent), 10 percent, 10 percent, 4,000 to 15,000 tons out of a capactiy of 44,000 tons (i. e., 9 percent–34 percent), percentage in line with proportion they represent of total market, "major portion," 50 to 60 percent to small business and other users, and 20 percent. In addition, as the United Carbon Co. does not itself use the product of the plant, but expects to make its profits by selling the output, there is less danger of any attempt to escape from this commitment.

II

United Carbon Co., a newcomer to the field, should provide new and vigorous competition to the companies established in the synthetic rubber business.

Of the GRS and butyl plants sold under Public Law 205, 57 percent of the capacity went to the big 4 rubber companies, and 31 percent went to 3 large petroleum companies. Only 12 percent went to concerns which might be hoped to compete fully, though of course the entry of the petroleum concerns into the field enlarged the number of big competitors and thereby reduced the likelihood of agreements in restraint of trade.

III

The offer made under Public Law 19 resulted in 9 bids, 6 of which were increased during the negotiations. Under the original disposal, only 1 bid per plant was made for 10 of the GRS plants sold, and those single bidders were the operators for the Government or new corporations in which the operators participated. The successful bid for Baytown, $7,153,000, is almost 3 times the original bid. It represents a price of $163 per ton of annual capacity, compared to the selling figures under Public Law 205, which ranged from $53 to $144 per ton of capacity. If there had been this kind of competition in the original bidding, the total amount received might have been some $40 million more than the $260 million actually received for the plants under Public Law 205.

There is no question that competition, particularly competition from real competitors, can be effective in reaching "full fair value."

IV

United Carbon, as a newcomer and I believe a genuine competitor in the field, can be expected to increase the supply of GRS and to reduce the danger of restrictive practices and increased prices which are seriously detrimental to national security.

The sales under Public Law 205, largely to the big 4 rubber companies and 3 oil companies, are much more likely to result in restraints of trade and price fixing.

I realize fully the strength of the argument that a bird in the hand is worth two in the bush. At that timc we did not have the evidence that the prices were too low which the Baytown sale gives us. And it may be that the final conclusion of the original sale provided additional incentives to prospective purchasers for Baytown.

I think the substantial improvements in the Baytown terms—the price, the provision for small business, the entrance of a genuine competitive newcomer in the field—all make it clear that the terms of the original sales could have been greatly improved, if the original sales had been disapproved and new bids had been asked for.

In short, I think there was real competition for Baytown, and I think there was not genuine competition, in most cases, on the original sales. The Baytown experience fully justifies disapproval of several Senators of the sales under Public Law 205.

Mr. FULBRIGHT. Mr. President, I think the experience gained in the disposal of the plant at Baytown completely justifies the opposition which a number of the Members have expressed to the original disposal under Public Law 205.

The Government benefited tremendously by the delay in the case of the Baytown plant and the competition which developed for that piant. The price per ton of production is substantially larger, and the provisions with regard to the availability of the product for small business are far more favorable.

I think there is every reason why the amendment proposed by the Senator from West Virginia should agree to, in order to give a fair opportunity to persons interested in the plant to come forward and submit their bids. I predict that they will offer much more favorable terms than was the case in the disposal of plants under Public Law 205, which I still think constituted an unjustified injury to the public interest.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified offered by the Senator from West Virginia [Mr. KILGORE].

The amendment, as modified, was agreed to.

Mr. FREAR. Mr. President, in connection with the amendment which has just been agreed to, reports have been received from the Office of Defense Mobilization, the Department of Defense, the Treasury Department, and the Disposal Commission. I ask uanimous consent that the text of the letters may be made a part of the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE
OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., July 18, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR SENATOR FULBRIGHT: This is in reply to your request for our views on S. 2509, a bill "to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va."

As indicated in my letter of July 14 to your committee, the productive capacity of the institute plant would be needed to meet our requirements for GRS if full mobilization should become necessary under present conditions. In one way or another, its capacity should remain available for the production of rubber in such an event.

In its present standby status, the plant is available for emergency use but the interest of the United States would be better served if it could be disposed of to private interests with the safeguard of a national security clause. While no reasonable bid for the plant was submitted at the time of the first offering, I understand that there has recently been expressed some interest in the acquisition of the plant on terms which would insure the availability of its rubber-producing capacity for mobilization purposes. We would favor legislation which would make such a disposal possible and believe that the provisions of S. 2509 would provide all of the safeguards necessary to protect the national interest.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,
ARTHUR S. FLEMMING,
Director.

OFFICE OF THE
ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., July 15, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Department of Defense on S. 2509, "to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va."

S. 2509 would permit the disposal of the Institute, W. Va., rubber-producing facility (Plancor No. 980) in the same manner as the Baytown, Tex., rubber-producing facility was disposed of under Public Law 19 of the 84th Congress. S. 2509 provides for the inclusion of the national security clause in the proposed sales contract.

The sale of the institute facility, as proposed in S. 2509, would add to the active synthetic rubber capacity available to the United States in the event of national emergency, and would relieve the Government the expenses of maintaining that plant in a standby condition.

Accordingly, the Department of Defense favors the enactment of S. 2509.

Enactment of this bill would not involve the expenditure of any Department of Defense funds.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to the Congress.

Sincerely yours,
LORNE KENNEDY,
Deputy for Legislative Affairs.

RUBBER PRODUCING FACILITIES
DISPOSAL COMMISSION,
Washington, D. C., July 18, 1955.

Mr. J. H. YINGLING,
Clerk, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. YINGLING: Your letter of July 14, 1955, to Mr. Pettibone, Chairman of this Commission, requested its opinion as to the merits of S. 2509, "A bill to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va."

We have been in touch thereon with the members of the Commission, who have authorized me to make the following comments:

The bill in effect would subject the Institute copolymer plant to substantially the same handling as that accorded the Baytown, Tex., copolymer plant (Plancor 877) by Public Law 19, 84th Congress, 1st session, approved March 31, 1955. Neither the Institute plant nor the Baytown plant had been recommended for sale under the original program transmitted to the Congress by the Commission under date of January 24, 1955. Pursuant to Public Law 19, the Baytown plant was readvertised and sale thereof was consummated on July 15, 1955. Before passage of Public Law 19, the views of prior purchasers of copolymer facilities were elicited and no objections to the legislation as finally enacted were lodged with the Congress. The Commission believes that a similar procedure would be appropriate in regard to S. 2509.

In the case of the Baytown plant, it had been generally assumed by prospective purchasers that this plant would probably be purchased by General Tire & Rubber Co., which had bid thereon. Such prospective purchasers, however, were told by the Commission as of late November 1954 that the Commission had received no bids for the Institute copolymer plant, and accordingly they may well have contemplated that this particular facility would not be sold and would remain in standby for a 3-year period. This Commission cannot assess what effect this may have had on the final negotiated prices paid for the plants.

As the Commission stated in its report to your committee on S. 691, which became Public Law 19, the basic policy question of authorizing sale of this facility is beyond the purview of this Commission.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Very truly yours,
HAROLD W. SHEEHAN,
General Counsel.

TREASURY DEPARTMENT,
Washington, July 18, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Banking and Currency Committee, United States Senate, Washton, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your request for a report on S. 2509, "To amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va."

The bill is patterned after Public Law 19, 84th Congress, approved March 31, 1955, and would authorize the disposal of the rubber-producing facility located at Institute, W. Va., in a manner similar to the disposal of the rubber-producing facility located at Baytown, Tex., pursuant to said Public Law 19.

It is suggested that the following technical changes be made in section 4 of the bill: (1) In line 1 insert "the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding" after the word "nothwithstanding"; (2) in line 3, strike "that" and insert in lieu thereof "the latter."

The Treasury Department has no objection to enactment of this legislative proposal.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,
W. RANDOLPH BURGESS,
Acting Secretary of the Treasury.

Mr. FULBRIGHT. Mr. President, I have discussed a proposed amendment with the senior Senator from Indiana [Mr. CAPEHART]. It involves a very slight change, requiring the certification of the Secretary of Agriculture in the case of the development of substitutes. I should like to offer the amendment now and have it disposed of. I understand the Senator from Indiana has no objection.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arkansas.

The LEGISLATIVE CLERK. One page 2, after line 13, it is proposed to strike out:

(g) When in his judgment it will aid the national defense, the President may make provision for the development of substitutes for strategic and critical materials.

And in lieu thereof, to insert the following:

(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Indiana to the text as amended.

The LEGISLATIVE CLERK. On page 7, after line 24, it is proposed to strike out:

(2) Except in time of war or national emergency hereafter declared by the President, appointments under this subsection (b) shall not be made to the position of the director or head of a bureau, division, section, or other comparable policymaking or administrative position and, after October 31, 1955, a person appointed under this subsection shall not perform the functions of such a director or head.

And in lieu thereof to insert:

(2) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

Mr. CAPEHART. Mr. President, in my opinion, the Senate Committee on Banking and Currency has done a good job in framing the language which has been used in the bill now under consideration in respect to businessmen who come to Washington to serve the Government without compensation. However, it is my opinion, as it is the opinion of many other persons, especially those in the administration, that on page 13 of the report, under paragraph (b) of section 710, the committee went entirely too far.

We have been using the w. o. c. or the so-called dollar-a-year men or businessmen, to help in advising the Government for many years—20 years or more. I believe everyone will agree that such persons have served a very useful purpose and have given in practically 100 percent of the instances, honest, conscientious, sincere service to the Government.

Frankly, the amendment I have offered will, in my opinion, and in the opinion of many other persons in the administration, permit a continuance of the use of businessmen in Government without compensation. Unless the bill shall be amended to accomplish this purpose, by such an amendment as I have proposed, or one along similar lines, we will simply be eliminating the opportunity to obtain the benefit of the advice, consultation, and experience of such businessmen.

I had hoped very much that my amendment would be accepted by the manager of the bill; but I understand that he will not accept the amendment and that it will be necessary to have a vote upon it. Is that a correct statement of the Senator's position?

Mr. FULBRIGHT. I certainly think that is the position of the committee, and it is my position. I am opposed to the amendment offered by the Senator from Indiana. I feel certain there are other members of the committee who wish to be heard on the subject. The matter was discussed before the committee last week, when we heard the Comptroller General.

I wish to make a short statement with regard to this question, when the Senator from Indiana has completed his statement.

Mr. CAPEHART. Let me read the amendment:

> Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

How much further can one go? The amendment simply eliminates such persons from taking any part in policymaking decisions. If the Senator cannot agree to that, what can he agree to?

Mr. FULBRIGHT. If the Senator from Indiana will yield, I may say that I agree to the language of the bill, which I think is quite clear. It simply provides that such persons shall not be employed in policymaking positions. I think there are good reasons for that. They are reasons which I will try to develop as soon as the Senator from Indiana has relinquished the floor.

Mr. CAPEHART. What is the use of bringing such persons into the Government unless it is to get the benefit of their advice, counsel, and experience?

Mr. FULBRIGHT. That is what I think.

Mr. CAPEHART. The purpose of bringing them into the Government is to ask for and receive the benefit of their experience and their recommendations. The amendment would make certain that they themselves could not adopt any policies; but that their recommendations as to policies must be submitted to salaried Government officials who are responsible for policy decisions. If the language in the bill is to be used, we might as well not have such persons.

Mr. FULBRIGHT. The language of the bill does not prevent consultation with the W. O. C.'s; in fact, it states that they will be consulted. But they are not to be employed as the heads of divisions.

I think the Senator from Indiana is well enough acquainted with the practices in business and in Government to know that the person who is at the head of a bureau or division has considerable influence upon his underlings, without having to draw pictures.

Mr. CAPEHART. The appointees would serve only for 6-month periods. In this instance, under the bill, they would deal only with matters of defense and with arriving at policies, decisions, and actions which would be taken in time of war.

Mr. FULBRIGHT. I can say, in answer to the Senator's remarks, that the 6 months' period only adds to their irresponsibility, in my opinion, and that they do deal with such products as aluminum. I can cite the Senator a decision, handed down only a short time ago, with respect to the expansion of the production of aluminum, which is one of the most important metals. That matter has come up 2 or 3 times. If my memory serves me correctly, each time the industry representatives were opposed to the extension, because they were afraid of overproduction.

I do not in any cases attribute to the persons involved any malfeasance or any wicked motive. I think it is a matter of judgment. If a man has spent his life in a certain industry, I do not think he can in 6 months dissociate himself from the viewpoint he has obtained over a lifetime in that activity. I do not believe a person is capable of doing it.

In wartime the motive which inspires a person to override his tendencies is the all-out effort to maintain our national security. At least, we think so. Or I will put it this way: We are willing to accept the risk because of the necessities of war.

Mr. CAPEHART. So long as we are dealing with human beings, I think there is bound to be bad judgment exercised from time to time. There will be instances from time to time when some persons will be found to be downright dishonest. I know of no group of people in the world which has a monopoly on all the vices or all the virtues. I do not anticipate we will ever get together a group of people in which some persons will not exercise bad judgment, or will not make mistakes from time to time, or in which some will not be dishonest. But I do not know why we should want to give up the policy of using businessmen, when that policy has been followed for years. The bill says that in case of emergency or war such persons may be used in any capacity. Is it not more important to get such persons to Washington in advance, so that they may figure out exactly what should be done if a war should come, and enable us to know what we should do the first day, and not wait until the war breaks out, and then bring to Washington 100 or 200 or 500 persons, and spend weeks and weeks deciding what we are going to do?

Mr. CASE of New Jersey. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. CASE of New Jersey. I wish to make the point that neither of the proposals turns on the question of crookedness, dishonesty, or engaging in transactions with a view to furthering one's private interests. That is not the issue as between the language of the committee bill and the language of the amendment of the Senator from Indiana.

It seems to me, from what I have learned, that the importance of the amendment is that, based on the testimony of persons familiar with the program, incentives should be continued to make it attractive for industry to send its best people to Washington. The objective should not be to destroy the possibility of expanding our program in an emergency by not having the aid of persons who have been trained in Government operation.

It seems to me the amendment is most desirable. First I should like to have the Senator from Indiana confirm what I have stated as to the feeling that the question does not turn on the question of crookedness.

Mr. CAPEHART. The point I wish to make is that so long as we are dealing with human beings, no law can be enacted and no policy can be pursued which will eliminate the possibility of a person's using bad judgment or making mistakes, because our jails and penitentiaries are filled with people who previously were honest, but something happened and they violated the law.

Mr. CASE of New Jersey. It seems to me that to have persons come into the service of the Government and take positions where their responsibility is fixed will make it easier to trace any collusive work on their part.

Mr. CAPEHART. The committee has done an excellent job in every respect except this one, where it eliminates the possibility of getting the benefit of the services of such competent persons.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FULBRIGHT. I should like to confirm the statement of the Senator from New Jersey that the committee action is not based on the premise that w. o. c.'s are dishonest or crooked. I think the action is based more on the idea which Mr. Charlie Wilson expressed so felicitously when he said, "What's good for General Motors is good for the country." I do not happen to agree

with that statement, and I do not think the committee agrees with it. I am sure he made the statement in all honesty. I am sure he is convinced that when the Government deals with General Motors, the Government gets a better bargain than it could if it dealt with another company. I am sure he believes his company is the best one, and that may very well be. We do not charge him with dishonesty when he says his company is the best in the world. It is a laudable opinion for him to have. But we on the committee do not agree that we should turn over the Government operation in peacetime to people who have spent their lives in business. There is no attack involved at all upon the motives of such persons; it is simply a question whether they are capable of exercising unbiased judgment.

Mr. CAPEHART. I think the Senator is misconstruing what Mr. Wilson said when he made the statement. I think many honest men will say that what is good for them is good for the country, and what is good for the country is good for them, in carrying on a business. I think Mr. Wilson was sincere, objective, and honest.

Mr. FULBRIGHT. I think he was sincere, too. The Senator has stated that we cannot eliminate every possibility of bad judgment. Of course not. All the committee proposal seeks to do is minimize such a contingency. We do not say the measure will prevent such instances absolutely. The intent is to minimize the number. The conflict-of-interests statutes have been on the books for a long time. If the Senator wishes to be logical, he will undertake to repeal them altogether. He does not go that far. So long as we have such statutes, they should be operative in peacetime.

Mr. CAPEHART. Previous administrations have been using businessmen.

Mr. FULBRIGHT. But only in wartime.

Mr. CAPEHART. What is being proposed by the Senator from Akansas and other Senators is that, after such businessmen have been used for years, all at once it is decided to dispense with their services, when an administration of a different party has the responsibility of preparing the country for war and emergencies. The Senator is saying that the practice followed by officials of his own party is no longer correct.

Mr. FULBRIGHT. The Senator is incorrect. We did use them in wartime, when a suspension of the conflict-of-interests laws was required.

Mr. CASE of New Jersey. Mr. President, I should like to make a point which seems to me to be important. I can fully agree that a very logical argument can be made that the proper operation of a Government organization cannot be squared exactly with the idea of having certain persons come into the Government temporarily and take over administrative responsibilities; but it seems to me there is an overriding consideration in the fact that the program operates in a very limited area. The important consideration is how are we going to get the services of the best persons, and to keep them interested. I should like to emphasize the point that it seems to me better to have persons in certain positions so that responsibility for action can be traced to them.

Mr. CAPEHART. That is exactly what my amendment would accomplish.

Mr. CASE of New Jersey. That is why I believe that, insofar as the conflict-of-interests law is concerned, we would be better off if we keep responsible persons in positions where they could be watched.

Mr. CAPEHART. If the amendment which I have offered is accepted, it will permit the administration to bring to Washington a group of persons from a given industry, permit them to organize themselves, have a chairman and vice chairman, and to work in a way which will be to the best interests of the Nation in an emergency or in war.

So by means of this amendment and other language used in the bill, we say to them, "You men cannot make any policy. But after your committee has a chairman or vice chairman, and comes to make certain decisions, you will be subject to the following provision:

> When policy matters are involved, be limited to advising appropriate full-time salaried Government officials, who are responsible for making policy decisions.

Under the language of the bill as it is written at the moment, none of these gentlemen can at any time, in trying to work out what will be done in case of war or other emergency, be the chairman or vice chairman of a committee. They simply can come into the Government service and serve under a chairman who is a full-time Government employee. I think it is much better to say to them, "Go into your conference room and decide on what you believe to be in the best interests of the Nation in case of war, and bring back your recommendations to the salaried Government employee who is responsible for making that policy decision, and present all the facts to him, and let him be the judge."

I think that is much the best procedure, and is the proper way to handle the matter. In that way I believe we shall get qualified men to work for the Government, under those conditions, but not under any other conditions, because the very fact that we are having this debate throws some suspicion upon such gentlemen who are now serving in Washington; and those who will be invited to serve in the future will question whether they are wanted and whether they will be under suspicion at all times.

Let me say that I think the business men of the United States are just as honest as are any other group of men. I repeat that I am not unmindful of the fact that once in a while one of them will make a bad decision, and neither am I unmindful of the fact that once in a while one of them will be downright dishonest. But there will always be men who will make bad deicsions from time to time; and there will always be men, after having been honest all their lives, suddenly will do something dishonest.

Mr. FREAR. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Indiana yield to the Senator from Delaware?

Mr. CAPEHART. I yield.

Mr. FREAR. Is it not a fact that sometimes Senators make bad decisions?

Mr. CAPEHART. Of course they do, and of course all groups do. As I have said, I know of no group that has a monopoly on honesty or a monopoly on dishonesty or a monopoly on being right or a monopoly on being wrong. According to my observation, all of us are prone to make mistakes once in a while, and occasionally it is true of all of us that our judgment is not too good.

Mr. FLANDERS. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. FLANDERS. I do not know how many other Members of the Senate have served as a dollar-a-year man. But during World War II, I served as a dollar-a-year man; and during my service it was quite evident to me that if the War Production Board, for instance, had not had in its organization men skilled and acquainted with all the details of the various industries which were being knitted together into the war effort, the war would not have been won by us. So the proposition is just that simple; otherwise, the war would not have been won by us.

Therefore, Mr. President, I would be very sorry, indeed, to see anything done now which would make it impossible to duplicate the factors which enabled us to win the war on the industrial front. That was not the only front; but without success on the industrial front, the war could not have been won by us.

Mr. FULBRIGHT. Mr. President, will the Senator from Indiana yield to me, to permit me to make an observation?

Mr. CAPEHART. I yield.

Mr. FULBRIGHT. The Senator knows that the amended language makes an exception for war time, and does not prevent, in other words, exactly what the Senator from Vermont is advocating. We recognize the need for such men in war time, and the language permits them to be employed.

Mr. FLANDERS. Yes.

Mr. President, if I may proceed a little further, with the permission of the Senator who has the floor——

Mr. CAPEHART. I yield.

Mr. FLANDERS. I should like to continue a little further on that point. There was very great difficulty in getting the skill of these men effectively applied during the first months of the war; that was so simply because those who were brought in from the outside had had no experience with Government operations, and the administrative officials of the Government had had no experience in dealing with such men.

On the basis of my experience, I conceive it to be necessary that there be a continuing experience and liaison between men from industry and men in Government. Let me say to the Senator from Indiana that it seems to me that his amendment as it is worded affords the maximum of protection without putting a stop to meeting the need for acquaintance and relationship

between men in Government administration and men in business.

Mr. MORSE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. MORSE. I should like to have the attention of the Senator from Vermont [Mr. FLANDERS], as well as the attention of the Senator from Indiana.

Mr. President, it seems to me that in the debate, Senators are confusing the two programs covered by this bill, namely, the so-called Reserve training program and the program which will result in having so-called w. o. c. brought into the Government and placed in key positions.

Our bill does not change the Reserve training program one iota. Let me invite attention to page 10, in line 1, where we find the following:

(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

These sections are the so-called conflict-of-interest statutes.

Mr. President, if Senators will turn to the hearings, and will study the testimony of Dr. Flemming, they will find that he made perfectly clear the difference between the Reserve training program, which is not at all covered by the section of the bill involved in this amendment, and the other program, which brings the dollar-a-year men into the Government service and places them in administrative positions, over paid Government employees, for a period of 6 months. Those two programs are separate and distinct. We are not proposing to interfere in any way with the training program; we are entirely in favor of the training program. But we propose the adoption of language which will completely eliminate the conflict-of-interest danger.

Mr. CAPEHART. Mr. President, I ask my colleagues to turn to page 7 of the bill, where I read the following, beginning in line 5:

This authority—

Referring to the authority we propose to give to the President to hire w. o. c.'s—meaning persons serving the Government without compensation—

may be delegated to heads of departments or agencies delegated or assigned functions under this act but may not be redelegated by them. In order to carry out the policy of the Congress that, so far as possible, operations under this act shall be carried on by full-time, salaried employees of the Government, heads of departments and agencies in making appointments under this subsection shall certify to the following with respect to each such appointment.

Mr. President, I want all Senators to pay particularly close attention to this language. It means, in other words, that w. o. c.'s cannot be appointed unless the following conditions have been complied with:

(A) That the appointment is necessary and appropriate in order to carry out the provisions of this act.

That is the Defense Production Act, by means of which we shall prepare for war.

I read further:

(B) That the duties of the position to which the appointment is being made require outstanding experience and ability;

(C) That the appointee has the outstanding experience and ability required by the position; and

(D) That the department or agency head has been unable to obtain a person with qualifications necessary for the position on a full-time salaried basis.

Then it says:

(2) Appointments under this subsection (b) shall not be made to the position of the director or head of a bureau, division, section, or other comparable policymaking or administrative position, and a person appointed under this subsection shall not perform the functions of such a director or head.

This is the paragraph we wish to amend.

I could go on and on. We have written all the safeguards which I think language can express, to protect the Government. We do not wish to write such language as would surround these gentlemen with so many laws, rules, and regulations that we would not get the benefit of their services.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MORSE. The language which the Senator has cited, on page 7 of the bill, refers to a program quite different from the reserve program referred to on page 10 of the bill.

Mr. CAPEHART. There is no question about that.

Mr. MORSE. As to the language on page 7, it has already been amended by the amendments recommended by the Comptroller General and accepted by the committee. Under the amendments recommended by the Comptroller General we provide the great protection that this provision shall not apply in times of war or emergency. However, it is provided that in peacetime the w. o. c.'s shall not be brought into the Government service and placed in an administrative capacity over Government employees for a 6-month period, because it was pointed out by the Comptroller General that that would result in great confusion in administration.

Mr. CAPEHART. The portion of the bill to which my amendment applies has to do with businessmen, professional men, heads of universities, and others, who may come to Washington to help devise policies, plans, and procedures if and when we have a war. They are to help in determining the policies, but they cannot put any policy into effect without the approval of a full-time salaried employee of the Government. The reserves which are mentioned in another section of the bill, to which the able Senator from Oregon referred, are made up of people who are brought to Washington, not to determine plans or policies, but to learn the art of the policies and plans which have already been worked out. They are like soldiers. After someone has laid out a training course, they will go through the training course.

So there are two entirely different groups of people. One is a group which will follow out the established policies, in case of war or emergency. The other group will help the Government devise the policies which the reservists will carry out in case of war.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. FLANDERS. Do I correctly understand that the amendment which the Senator from Indiana has offered is applicable only in time of war?

Mr. CAPEHART. Oh, no.

Mr. FLANDERS. I wished to make sure of that.

Mr. CAPEHART. The bill provides that in time of war this amendment shall not apply, nor would any of the other restrictions which we wrote into the bill. That provision is a part of the bill. This amendment would apply only in time of peace.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MORSE. Does the Senator from Vermont clearly understand that the provision of the bill in regard to the w. o. c.'s applies only in time of peace? In time of war the exemption from the conflict-of-interest statute will prevail. The Comptroller General proposed some language which the committee accepted, which made it very clear that in time of peace these men should not be given policy making positions or administrative positions over full-time Government employees. It should be pointed out that under our bill all the advisers and consultants that the Government needs may be brought in. I am strongly in favor of that provision. If Senators will consult the committee hearings, they will find that I made that statement over and over during the hearings.

Mr. CAPEHART. There can be no question about that.

Mr. MORSE. These men ought to be brought in as consultants and advisers; but I refuse to accept the notion that we must put them in administrative positions in order to give them the so-called prestige which will cause them to come to Washington and make available their advice for 6 months. I think it would be a mistake to put them over full-time Government employees.

Mr. CAPEHART. As I stated a moment ago, I am only using this situation as an example. A group of persons who have had experience in a given industry get together and devise plans and policies which will be put into effect in case of war. Then, under the language of my amendment and other language which the committee placed in the bill, they submit such policies to some full-time salaried employee of the Govern-

ment, who says yes or no. I do not think we can induce such men to come to Washington if we deny them the right to organize and work together, and enjoy the benefit of one another's viewpoint.

Mr. FULBRIGHT and Mr. FLANDERS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Indiana yield; and, if so, to whom?

Mr. CAPEHART. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a question. Does the Senator wish to ask the question of me or of the Senator from Indiana?

Mr. FLANDERS. I will ask the Senator from Arkansas a question with regard to the bill.

Does the bill limit the dollar-a-year-man, or whatever he is called—

Mr. FULBRIGHT. The w. o. c. "W. o. c." means "without compensation."

Mr. FLANDERS. I presume there are a dozen other w. o. c.'s in the alphabetical list, but today that is the one with which we are concerned. The initials mean "without compensation." Is it the idea of those who are supporting the bill as reported that these men will come to Washington without compensation, strictly as individuals, to advise, and not to determine policies which they have no authority to impose?

Mr. FULBRIGHT. First, let me say that the expression "without compensation" does not mean strictly without compensation. They are paid by their own employers. They are not paid by the Government.

Mr. FLANDERS. Not even a dollar a year?

Mr. FULBRIGHT. In most cases they receive handsome salaries from their own companies. That is well known, and accepted.

Mr. FLANDERS. I have had such an experience.

Mr. FULBRIGHT. The bill contemplates that in peacetime they would be brought in only as advisers. They would not have the responsibility of making policy decisions and submitting them to the heads of departments for approval.

Mr. FLANDERS. Is there not the possibility of a group of them being assigned to devise policies, without enforcing them.

Mr. FULBRIGHT. They certainly could give advice to the regular employees, but it is contemplated that the heads of agencies, as named in the bill, would be regular full-time employees of the Government, whose primary responsibility would be to the Government itself, and not to a private employer. That is the difference. Perhaps it is too subtle a difference to be easily explained. It does not lend itself to concrete illustration; but I think there is a very important distinction between the attitude of the person whose primary responsibility is to his Government, rather than to a private employer, on the one hand, and, on the other, a person whose primary responsibility is to a private employer.

Mr. FLANDERS. Let me say to the Senator from Arkansas that I had the experience of being not only what was then called a "dollar-a-year man," rather than a "w. o. c.," but I was on a number of advisory boards during the Roosevelt administration, the most important of which was assignment to a certain board, the initials of which I forget, but it was supposed to be the top economic board of the Government. It was under the chairmanship, first of the then Senator Byrnes, and later of the late Judge Vinson.

Mr. MORSE. The Senator is referring to the Board of Economic Stabilization.

Mr. FLANDERS. It was the Board of Economic Stabilization.

There is nothing more forlorn, more hopeless, more discouraging, than to be an advisory member of a group in Washington which does not have a definite commission to decide upon and recommend policy; and to the extent that there is anything in this bill which does not give authority to the w. o. c.'s to make recommendations as to policy, to that extent the Government is being ill served in peacetime. It seems to me that the amendment which has been submitted by the Senator from Indiana gives more leeway than the language of the bill, as I read it, for such men to perform their useful services. The amendments provide the limitation that they shall be restricted to advising the officials who are responsible for making policy decisions. I wish them to be able to take definite assignments to work on and to report on, and I wish them to be able to organize for that purpose.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield so that I may point out something to the Senator from Vermont?

Mr. FULBRIGHT. I yield for that purpose.

Mr. MORSE. I should like to call the Senator's attention to pages 35 and 36 of the hearings. I wish to make perfectly clear that there is nothing in the bill as reported by the committee which would prevent a department from calling in leaders of industry to work out plans and programs to be recommended for use by the Government in time of war or emergency. There is nothing in the bill which would prevent it. What the bill would prevent, on the recommendation of the Comptroller General, would be granting a w. o. c. the administrative authority that is listed on pages 35 and 36.

For example, the Aluminum and Magnesium Division has as its director a w. o. c. As was brought out in our hearings, it is not possible for a man to fill that position without at the same time making a great many administrative decisions. The men are placed over a staff of career Government employees for 6 months. At the end of that 6-month period a new director would be appointed. It seemed to the Comptroller General that that would lead to inefficiency and confusion. We can almost take judicial notice of that fact.

Let us look at some of the other assignments. The Automotive Division has as a director a w. o. c. The Containers and Packaging Division has as its head a w. o. c. The same is true of the Electrical Equipment Division. Pages 35 and 36 show other divisions of the Department of Commerce which are headed by w. o. c.'s, who exercise administrative power.

Of course, the great danger is that it leads to a conflict of interest. That situation, of course, is different from the situation in time of war or emergency, when all of us, in all walks of life, place patriotic impulses first, and the conflict-of-interest problem really becomes minimal.

Mr. FLANDERS. From a reading of the Capehart amendment it does not seem that it would permit the appointment of a w. o. c. as an administrative officer. Does the Senator from Oregon conceive that that would be possible under the Capehart amendment?

Mr. MORSE. In my judgment, it would be possible under the Capehart amendment.

Mr. FLANDERS. I do not read the words that way.

Mr. FULBRIGHT. It is clear to me that a w. o. c. would be the head of the division, but that when it came to a policy matter he would step aside and would let his assistant, or whoever might be under him, make the policy decision. I say that that is an unrealistic way of looking at the matter. I do not believe it would work out satisfactorily. The one who is the administrative head should actually make the policy decisions.

Mr. MORSE. If all that the Senator from Vermont wants is that these men be placed in positions where they can recommend programs of policy which shall be followed by the Government in time of emergency or war—and I understand that this is all that the Senator wants—that can be done under the discretion of the Comptroller General.

Mr. FULBRIGHT. In time of war or emergency there is no restriction. Conflict-of-interest statutes do not affect conditions during such an emergency. The Senator from Vermont described an incident from his own experience. The only difference is that the Senator from Indiana [Mr. CAPEHART], wishes that what is in effect during an emergency shall be normal in peacetime. In other words, he wishes the procedure to be normal at all times, so that these men would be free from the restrictions of the conflict-of-interest statute. That is the real difference between the two situations.

Mr. FLANDERS. I do not read in that way the words of the amendment offered by the Senator from Indiana. Of course, I must vote on what seems to be the plain wording of the amendment.

Mr. FULBRIGHT. The wording leaves the impression that a man can be the head of a division and exercise all the power and prerogatives of the office of the director of the division, but that when a matter which is called a policy matter comes up, he steps aside.

In the first place, I believe it is quite difficult to say when a matter is a policy matter and when it is not a policy mat-

ter. If one is the actual administrative head, I would say that in all practical situations he should make the decision, whether it was called an administrative decision or a policy decision.

Mr. FLANDERS. Again referring to the Capehart amendment, does the Senator from Arkansas conceive that a full-time, salaried Government official, responsible for making policy decisions, would be an underling in a division of which a w. o. c. was the chairman?

Mr. FULBRIGHT. Yes, that could certainly be the situation, or it could be the Secretary of Commerce who would make the decision.

Mr. FLANDERS. The Secretary of Commerce can make the decision. However, as I understood the suggestions which had been made, it would be possible for a full time, responsible, policy-making official to be an underling of a w. o. c. I cannot conceive of such a situation.

Mr. FULBRIGHT. I believe that is the clear intent of the amendment, namely, that the w. o. c.'s will be the head men. It would be done to give them prestige, so as to attract them to the positions. I do not believe that would be a very important element, if they were to serve for only 6 months. I do not believe the prestige of being a head of a division would be sufficient attraction to bring into the service the type of men the Government has in mind, or that it would attract them, without any other inducements. However, I believe the clear intent of the amendment is to permit such men to be the heads of divisions, and that under them there would be full-time employees of the Government.

Mr. FLANDERS. Under them there would be full-time Government employees who would be responsible for making policy decisions. Is that the view of the Senator?

Mr. FULBRIGHT. That is where we differ. It is difficult to put the difference in words. It is quite difficult to define just what is a policy and what is not a policy. We had some difficulty in committee in deciding whether the application should be to wartime or peacetime. In deciding whether the production of aluminum metal should be expanded, because there is a shortage of it, as there is now, is the making of such a decision a policy decision, and are we at peace or at war? Of course, a little bit of both is involved. The real reason for the shortage of the metal is that we have vastly increased the use of aluminum for both peace and war purposes.

Mr. FLANDERS. I should like——

Mr. FULBRIGHT. I should like to complete my statement on the bill.

Mr. FLANDERS. I should like to compliment the able chairman, the Senator from Arkansas, on his ingenuity in reading into the words of the Capehart amendment what seems to me to be a very unlikely situation.

Mr. FULBRIGHT. What I have stated is my impression after having heard in committee a great deal of discussion of the different points of view, and after having heard last Friday an extensive report by the Comptroller General. I may point out that the present Comptroller General approves of the committee action. As the Senator well knows, he is an appointee of the present administration. His view is on all fours with the view of the committee. He was asked by the committee whether his views were the same as those of his predecessor in office, Mr. Lindsay Warren. Both gentlemen have the same views with regard to this matter. They are the men who are responsible, as the Senator knows, for supervising and checking on these matters and making sure that the policy decisions of the various departments of the Government are in accord with the best interests of the country, in accord with the law, and so on. I think such opinions deserve great weight in this matter. My interpretation would be exactly like that of Mr. Campbell.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. I think the testimony of the Comptroller General in opposition to the Capehart amendment, and his testimony in support of the language of the bill, is what really determined the majority vote in the committee. Am I not correct in stating that the Comptroller General pointed out that the language of the bill will avoid the danger of abuse from which he is seeking to protect the Government, whereas, in his opinion, the language of the Capehart amendment will not accomplish that end?

Mr. FULBRIGHT. The Senator has stated the situation precisely, according to my understanding. I might review the situation for the benefit of the Senator from Vermont by saying that prior to the letter which I received from the Comptroller General, we were considering making some concessions along this line, but after having heard his testimony, and going into it to a great extent, I, along with other members of the committee, determined not to make any change, because the Comptroller General made such a compelling case for the retention of the language in the committee bill that we were unable to accept any such amendment.

Mr. President, I wish to explain to the Senate why I am convinced that the bill as reported, with the committee amendments, should be passed by the Senate, and why I am convinced the amendment proposed by the Senator from Indiana should be rejected.

The United States has for many years had on the books a group of statutes, mostly criminal laws, dealing with the problem of conflicting interests. There has been much discussion of these laws in recent years. Many thoughtful people think they should be strengthened. No doubt others think they are too harsh. But, however unsatisfactory or however deficient they may be, they are the laws of the United States, and express the policy of the United States.

These conflict-of-interest laws are an attempt to write into the law the concept that public office is a public trust, an attempt to express in law the principle that no man can serve two masters.

One of the most obvious conflicts of interest which can be imagined occurs when a man employed and paid by a private firm is employed by a Government agency which is charged with the duty of regulating the industry of which the man's employer is a part. In order to prevent this, sections 434 and 1914 of the criminal laws were enacted. So far as I know, these statutes are considered generally as desirable provisions, and I am aware of no effort to repeal them.

In time of war or full mobilization, however, there has been general agreement that the interests of the national security compel an exception to the policy expressed in these laws. This was so in 1917, in 1941, and in 1950. In each case, industry-paid employees—dollar-a-year men or w. o. c.'s—have been found necessary and have been used.

The reason is not hard to find. Full mobilization of the entire economy in support of the armed services necessarily includes the most detailed regulation and control over the distribution of materials and equipment, and over prices and wages. This necessarily requires large staffs of skilled, experienced, and capable men. The Government could not afford to keep such staffs on hand except under emergency conditions, and even if it could afford it, very few of the kind of men needed would be willing to sit around waiting for the emergency to arrive. And even if they were willing to sit around waiting, they would soon lose their up-to-date knowledge of industrial and commercial practices.

Consequently, in time of full mobilization the Government has no practical alternative to calling upon business and industry to provide much of the staff needed to carry out the industrial mobilization program. And no practical alternative has been found to permitting most of these men to continue to receive their salaries from their private employers. I agree it might be desirable for them to give up their private salaries, and live on the Government salary for the position, but many of them have commitments which make this virtually impossible. And even if they did, their futures are so bound up with their private employers that the conflict of interest would be almost as great.

In time of war or full mobilization, patriotic incentives reduce this danger of conflicting interests to the minimum. Industry-paid employees are just as anxious to win a war as full-time salaried Government employees. Their sons or brothers are in the armed services too, and their homes and families are equally subject to bombing.

Consequently, in time of war or full mobilization, when the very life of the Nation is in imminent and immediate peril, the country has found it necessary to use industry-paid employees in all kinds of positions in Government, and has considered the costs, in terms of whatever improper and undesirable actions may have resulted in a small proportion of the cases, far outbalanced by the real necessity of using them.

I should add that I do not think there are many cases where industry-paid employees have misconducted themselves.

Of course there have been some cases, as there have been some cases where full-time salaried employees have misbehaved. The remarkable thing, I think, is that there have been so few cases where the conflicting interests necessarily involved in such situations have in fact had undesirable results.

Having said all this in favor of industry-paid employees in time of war or full mobilization, I now wish to draw a sharp distinction between 1941 or 1950 and the present situation. This distinction is so clear and so sharp that, in my judgment, we would not be well advised to grant the administration's request that the waiver of these criminal laws be continued for 2 more years, to permit the administration to continue using these industry-paid employees in policymaking positions such as division directors. I think this conclusion is sound, even if we were to forbid them to act on "policy matters," whatever that phrase may mean.

In 1941 or 1950, conditions demanded use of industry paid employees. In 1955, we are in a very different situation, and incidentally a situation which may last for 10 or 20 years.

I do not wish to underemphasize the importance of the current defense programs, or the current planning and preparation against a period of full mobilization which may come in the future. But we are not now in a shooting war, we do not have price and wage controls, very few materials are being allocated, and then only in a limited way for the benefit of the military. As a result, the staffs handling these programs are small, their work is of less immediate and vital urgency. They can take time to consult with industry through advisory committees, they can wait for a consultant to come in next week and discuss a matter. The very smallness of the staffs means that the relatively few experienced full-time employees can be spread around to handle the programs. And the fact that there is not now a shooting war has removed much of the patriotic incentive to disregard personal interests and place the public interest foremost.

In other words, the need for these industry-paid employees is reduced to a minimum, and the danger that private interests will outweigh the public interest is greatly increased. Accordingly, in my judgment, the time has come to let the conflict-of-interest statutes apply again, to use regular full-time salaried employees subject to the conflict-of-interest statutes in the policymaking and administrative positions, and to rely on advisers, consultants, industry advisory committees, and trade associations to give the agencies the information they need about industrial operations and practices.

I would be more hesitant to ask the Senate to follow the committee's action, if it were not the fact that the committee's action has the support of the present Comptroller General, Mr. Campbell, his predecessor, Mr. Warren, and a number of committees of the Senate and the House of Representatives. Mr. Campbell's statement before the committee last Friday in support of the action taken by the committee was particularly strong and convincing.

When and if a new emergency arises, and full mobilization is necessary, then the industry-paid employees will have to be used again freely. But not this year or next year or the next 10 or 20 years, or however long the present state of affairs continues.

I urge that the Senate reject the amendment proposed by the Senator from Indiana.

Mr. MORSE. Mr. President, I oppose the amendment of the Senator from Indiana [Mr. CAPEHART]. My opposition rests on the fact that I do not favor industry-paid employees serving in policy-making positions even if, when policy matters are concerned, they are limited to merely giving advice to full-time salaried employees. Let the record be clear that I do not oppose the use of w. o. c.'s, that is, industry-paid men who are serving the Government without compensation, from serving in consultant positions so that their expert technical knowledge can be made available to full-time salaried Government employees. The bill the Senate is considering, S. 2391, permits these w. o. c.'s to serve as consultants.

We are faced with a fundamental and simple issue. Does the interest of our national security compel us to extend for another 2 years the waiver of certain criminal laws under which the Government has been employing men paid by industry men who are employed by the very industries which these men in their position as w. o. c.'s are supposed to regulate?

The decision is not, I will agree as simple as the issue. There are pro and con factors of great weight on both sides of the problem, and in coming to my decision to oppose the amendment of the Senator from Indiana I have considered the matter thoroughly.

I agreed with the decision to put the original w. o. c. clause in the Defense Production Act of 1950, even though President Truman had not asked the Congress for that provision. It was my thought that the situation warranted the enactment of such a clause in spite of the problems it created. Despite the fact that these very real problems existed, I think the decision to continue the w. o. c. program in 1951 and 1952 was correct. Our country was in a time of great crisis, and we needed to mobilize our resources, material and human.

In 1953, the world situation was still such that I could support the continuation of the program, even though I was aware of the fact that the balance had shifted somewhat.

But today I think that the balance has clearly shifted and that these industry-paid employees should not be continued any longer in policymaking jobs. And, Mr. President, I must stress that I am only voicing opposition at this time to the continuation of w. o. c.'s in policy-making jobs. The committee, in its bill, did not intend to deny our Government the services of these individuals. We sought to move these men from positions where their decisions would in effect be making policy for the United States Government.

We are dealing with the general problem of conflict of interests in this matter. It is a problem that has long been with the world, especially in the legal profession and in Government service. Almost 2,000 years ago it was said:

> No man can serve two masters; for either he will hate the one and love the other; or else he will hold to the one and despise the other. Ye cannot serve God and mammon. (Matthew 6: 24.)

I could not put the problem any more succinctly than does this scriptural passage. The very great importance of avoiding conflict interests is thoroughly recognized by the Canons of Legal Ethics. The legal profession has attempted to draw up a code of conduct to guide the steps of lawyers along the path of undivided loyalty to their clients. By and large the legal profession has done very well in this area, but at the price of a constant surveillance intended to prevent the practice of lawyers representing conflicting interests. The problem is no less real for employees, compensated or uncompensated, of Government. I would say that it is perhaps even more vital in Government than it is in the practice of law because of the very likely possibility that placing a Government employee in a position where he is representing conflicting interests can do harm over a so much greater sphere. His decisions may well affect us all.

I want to make it very clear, Mr. President, that I am talking about a situation in which honest and upright men are attempting to perform in their most competent manner duties assigned to them. There is no canon, no rule, that can keep the dishonest man in line. What I am concerned with here today is the fact that we are calling upon honest men to try to satisfy 2 masters under circumstances when the wishes of the 2 master may well be incompatible. I am of the opinion that this is unfair to them and dangerous to the people of the United States.

The specific problem of industry-paid employees in Government seems to have arisen first in World War I. It arose again in World War II, and again in 1950.

In each of these cases the necessity of full mobilization of the industrial economy made it imperative for the Government to bring in top industrial leaders and experts in industrial operations. In the first place there simply were not enough Government employees, skilled or unskilled, to handle the task. More important, however, there were not enough people outside of business available with the knowledge of industrial processes and operations to run a full mobilization program, involving restrictions on all kinds of materials and allocations to all kinds of industry. Without this knowledge and ability, the entire mobilization program might well have done more harm than good.

Mr. President, let me make it very clear that I advocate the application of the committee bill to all w. o. c.'s, including business leader sand labor leaders. During the war, some labor leaders were brought into the Government. They were paid by their unions; yet they were placed in policymaking positions in the

Department of Labor and elsewhere in the Government.

I am just as much opposed to labor leaders coming into the Government on a WOC basis in time of peace and in non-emergency periods as I am to businessmen being placed in the same position of potential conflict of interests.

The employment of industry-paid employees brought considerable criticism. The Truman committee report of January 15, 1942, contained an illuminating discussion of dollar-a-year men. I shall therefore read a few paragraphs on this subject from the report:

DOLLAR-A-YEAR MEN

The principal positions of the Office of Production Management were assigned to persons holding important positions with large companies who were willing and anxious to serve on a dollar per year, or without compensation (w. o. c.) basis. They usually did not sever their business connections, but instead obtained leaves of absence. In many instances they continued to act for their companies, publicly announcing that their Government work was part-time work only. Their companies continued to pay their salaries. In some cases their compensation was even increased.

As of January 5, 1942, there were 255 dollar-a-year men and 631 w. o. c. men employed in the Office of Production Management.

The Office of Production Management has had a rule that such men cannot pass upon contracts to their own companies, and the committee believes that the rule has been strictly observed. To have done otherwise would have been to violate principles of agency law which have been settled for centuries. This exclusion from working on matters in which their companies were interested does mean, however, that the dollar-a-year and w. o. c. men were generally assigned to tasks materially different from those in which they had engaged in private life and raises a question as to whether we can even say that in utilizing such men we gained the experience of big business. This generality is, however, subject to the qualification that many of the dollar-a-year and w. o. c. men are profcssional men who unquestionably had experience in the same fields in which they are now working for the Office of Production Management. They, however, are dealing with matters involving the welfare of the class of clients by whom they were formerly employed and by whom they naturally expect to be employed in the future.

Although the contracts obtained by the companies loaning the services of dollar-a-year and w. o. c. men are not passed upon by the men so loaned, such companies do obtain very substantial benefits from the practice. The dollar-a-year and w. o. c. men so loaned spend a considerable portion of their time during office hours in familiarizing themselves with the defense program. They are, therefore, in a much better position than the ordinary man in the street to know what type of contracts the Government is about to let and how their companies may best proceed to obtain consideration. They also are in an excellent position to know what shortages are imminent and to advise their companies on how best to proceed, either to build up inventories against future shortages, or to apply for early consideration for priorities. They can even advise them as to how to phrase their requests for priorities. In addition, such men are frequently close personal friends and social intimates of the dollar-a-year and w. o. c. men who do pass upon the contracts in which their companies are interested.

These are only a few of the advantages which large companies have obtained from the practice, and it should be especially noted that they are the very same ones which the small- and intermediate-business men attempt to obtain by hiring people who they believe have inside information and friends on the inside who could assist them in obtaining favorable consideration for contracts. Therefore, in a very real sense the dollar-a-year and w. o. c. men can be termed "lobbyists." This does not mean that either they or their companies are engaged in any illegal conduct, for lobbying as such is not illegal, but it does mean that human nature being what it is, there is a very real opportunity for the favoritism and other abuses which has led the public to condemn lobbying and the Congress to consider corrective legislation.

In addition to the above benefits, the companies loaning the services of dollar-a-year and w. o. c. men obtain other and less tangible, but perhaps even more important benefits. All important procurement contracts must be approved by these dollar-a-year and w. o. c. men, which means that contracts must conform to their theories of business. Since they represent the largest companies, this means that the defense program in all its ramifications must obtain the approval of the large companies. This does not mean that the boards of directors of the large companies are requested to determine the defense program, nor does it even mean that the dollar-a-year and w. o. c. men consciously favor their companies or their companies' methods of doing business. On the contrary, the committee believes that most dollar-a-year and w. o. c. men are honest and conscientious, and that they would not intentionally favor big business. However, it is not their intentional acts that the committee fears, but their subconscious tendency, without which they would hardly be human, to judge all matters before them in the light of their past experiences and convictions.

It is only natural that such men should believe that only companies of the size and type with which they were associated have the ability to perform defense contracts; that small and intermediate companies ought not to be given prime contracts; that the urgencies of the defense program are such that they have no time to consider small companies for defense contracts; that the large companies ought not to be required to subcontract items which they could profitably manufacture and as to which they express lack of confidence in the productive facilities of smaller concerns; that the producers of strategic materials should not be expected or required to increase their capacities, even at Governmcnt expense, where that might result in excess capacity after the war and adversely affect their postwar profits; and that large companies should not be expected or required to convert their existing facilities into defense plants, where they prefer to use their plants to make the profits from their civilian business and, at the same time, to have additional plants directly or indirectly paid for by the Government, which they can operate profitably on tcrms dictated by themselves. The dollar-a-year and w. o. c. men subconsciously reflect the opinions and conclusions which they formerly reached as managers of large interests with respect to Government competition, with respect to taxation and amortization, with respect to the financing of new plant expansion, and with respect to the margin of profit which should be allowed on war contracts. For a more detailed discussion of some of the effects of such subconscious thinking, the committee refers to its previous report on Priorities and the Utilization of Existing Manufacturing Facilities, a copy of which is attached hereto as Appendix II.

The committee has been trying for months to force a greater use of our existing facilities, of both large and small plants, and believes that a belated but serious effort has been made to make progress in this direction. The peak cannot be undone, but it is vitally important that the same mistakes should not be repeated in the future.

The committee is opposed to a policy of taking free services from persons with axes to grind, and the committee believes that the Government should not continue to accept the loan of dollar-a-year and w. o. c. men by companies with so large a stake in the defense program. The committee, therefore, suggests that steps should be taken by the Office of Production Management to offer Government salaries to the dollar-a-year and w. o. c. men within the range which the Government has paid for positions of similar responsibility in other departments, and that such persons should be required during the duration of their employment by the Government to disassociate themselves from any employment by or payment from companies which have obtained large defense contracts. This does not mean that they should not have an expectancy of returning to their companies after the Government has no further need for their services, but the committee does believe that they should have no commitments for reemployment, and that they should not receive compensation for services which they cannot properly render to their companies during their employment. No man can honestly serve two masters.

The propriety of such a recommendation was recognized by John Lord O'Brien, General Counsel of the Office of Production Management, when he required lawyers who were being appointed to his staff to sever connection with the firms with which they were associated. If such action was desirable with respect to lawyers, whose firms were not obtaining any defense contracts, it is all the more proper and desirable with respect to those dollar-a-year and w. o. c. men whose companies are directly obtaining the great bulk of the defense contracts.

This is what the Truman committee had to say about the problem even in time of war. Yet in time of war it is important that the Government have the patriotic services of w. o. c. men. But if the implications of the Truman report on this problem existed in time of war, I respectfully submit the danger is much greater in time of peace. Therefore, I think the language of the committee bill is much preferable to the language of the amendment submitted by the Senator from Indiana because it makes perfectly clear that these men will have to be brought in by the Government on a purely consultative and advisory basis and no on any administrative or policy-making basis whatsoever.

Mr. President, when the Truman report was issued, Donald Nelson asked to be heard by the Truman committee in order to urge the continued use of w. o. c.'s?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. The Senator has read from the Truman report, issued when Mr. Truman was a United States Senator, but does the Senator have any record that Mr. Truman, when he became President, at any time proposed any legislation or any rules and regulations which would prohibit the use of w. o. c.'s.

On the contrary, is it not true that Mr. Truman, as President, asked for legislation such as we are now considering? Was not he the President who issued Ex-

ecutive Order No. 10182, under which such persons could be used?

Mr. MORSE. The Senator is quite correct. W. o. c.'s were used under Executive orders for the war and emergency periods.

Mr. CAPEHART. President Truman is the man who used them.

Mr. MORSE. The use of such persons does not in any way lessen the soundness of the Truman report as to the potential dangers which had to be guarded against by the use of w. o. c.'s. They happen to be the present dangers which the Comptroller General is warning the Senate about today, and about which the previous Comptroller General warned the Senate.

Mr. CAPEHART. We are all aware of the dangers, and the Truman committee was aware of them. My point is that in spite of those dangers, President Truman issued Executive Order No. 10182, which is still in effect. At no time did Truman recommend doing what the able Senator is now recommending, which is, for all practical purposes, eliminating w. o. c.'s. If the use of them was as bad as the Truman report indicated, why did President Truman use them? Why did he not eliminate them? Since we have been using such persons for so many years, when has it suddenly become so bad to take advantage of their services?

Mr. MORSE. I have two replies to make. First let me point out that it was Secretary Sawyer who asked for the w. o. c.'s during the war. President Truman did not initiate the request, but he issued the order which made such persons available to his Cabinet officer. However, making use of w. o. c.'s in time of war in no way removes the soundness of the argument of the potential dangers which the Truman committee report pointed out, and the Truman committee report was of great service in this matter, in that it had a preventive effect.

Mr. CAPEHART. The debate taking place in the Senate today is helpful.

Mr. MORSE. Let me finish, and then I shall yield. I think the report caused the administrative officers who had supervision over the w. o. c.'s to use extra vigilance in seeing to it that the possible dangers pointed out in the Truman committee report were avoided.

Mr. CAPEHART. I have no doubt about it. I think the debate in the Senate today is helpful. I think what has been said in the past has been of value. My point is that since the Government has been using w. o. c.'s during all these years, what has happened at this moment, or in the last 10 days, or in the last 30 days, to make it necessary to eliminate their use?

Mr. MORSE. The simple reason is that we are not at war, we are not in an emergency that justifies placing such persons in administrative positions. We need such persons for consultation and advice. When we are not at war, there does not exist the same patriotic check upon selfish motives of men to protect the public. That is what the Comptroller General is warning us about in his testimony. That is also what the previous Comptroller General warned us about.

Mr. CAPEHART. We have a new philosophy at the moment, which I think is 100 percent correct, and which has been endorsed by the Congress, by former President Truman, and by President Eisenhower, namely, that we ought to prepare in advance of a war, that we ought to know exactly what we are going to do when a war strikes, that we ought not to lose valuable days, weeks, and months after war starts.

Mr. MORSE. Not a word in the committee bill would prevent the use of the services of w. o. c.'s for that purpose. The bill merely provides that they cannot be brought into policymaking and administrative positions. A Secretary of a Department can bring in all the consultants he wants. Secretary Weeks can get the advice of such men and have them draft a master plan to be used in case of war. Nothing in the bill would prevent obtaining such advice.

Mr. CAPEHART. Let me read my amendment:

> Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

In effect we would be saying to w. o. c.'s, "You may become chairmen of committees or heads of agencies, working out plans and policies in case of war, but when you decide what you think ought to be done, you must submit the plans to a salaried Government officer, who will make the decisions."

What more can one do?

Mr. MORSE. Under the amendment, w. o. c.'s would be placed in administrative positions over a staff of career employees. As the Comptroller General testified, that would lead to great confusion and maladministration.

Mr. CAPEHART. They would not be placed over the employees. Salaried employees would be furnished to do the clerical and detailed work. Help would be given to the w. o. c.'s along that line. Nothing more than that would be done. I do not see how we can go any further than to say, "You cannot make policy. You must leave it to a salaried Government employee to do that." The pending bill would prevent their doing that.

Mr. MORSE. If that is the objective of the Senator from Indiana, then he ought to take the bill, because, under the bill, w. o. c.'s can be brought in as consultants and advisers to draft recommendations for future plans to be used in time of war, but such persons cannot be used in any administrative positions.

Mr. CAPEHART. What does the Senator mean by "administrative positions"?

Mr. MORSE. There is nothing in the Senator's amendment which would prevent filling of the positions referred to on pages 35 and 36 of the committee report.

Mr. CAPEHART. My amendment says in effect, "You can continue in those capacities, you cannot make any policy, but can advise fully salaried Government employees."

Mr. MORSE. The testimony of Dr. Flemming and Secretary Weeks pointed out that when w. o. c.'s are put into such positions, they are necessarily placed in administrative and policymaking positions. If a w. o. c. is placed in the Aluminum Division, and if he is the only one in that Division in the Department of Commerce, he is bound to be the only one to be able to make a policy.

Mr. CAPEHART. That may be true under the old law, but that will not be possible under the proposal made, if my amendment is accepted, because my amendment provides that w. o. c.'s must submit policy decisions to full-time salaried Government employees.

Mr. MORSE. I say most respectfully that the record on this point speaks for itself, and that their functions would be administrative.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD the list of Business and Defense Services Administration w. o. c. employees as of June 13, 1955, beginning on page 35, and continuing on page 36 of the hearings, together with the list of the Government positions and the corresponding positions in private industry in the case of the respective w. o. c. men. I point out that all we have to do is read the list, and from it we see that the Secretary of Commerce and Dr. Flemming are quite correct in their testimony as to the really administrative nature of these positions.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Business and Defense Services Administration—w. o. c. employees, June 13, 1955

Position	Incumbent	Position in private industry
Office of the Administrator:		
Assistant Administrator	Damkroger, Stanley F	General commercial manager, Pacific Telephone & Telegraph Co., Seattle, Wash.
Assistant Administrator	Flom, Russell C	Director of pulp, paper and paperboard sales, Marathon Corp., Menasha, Wis.
Assistant Administrator	Winston, Arthur W	Assistant manager, magnesium department, Dow Chemical Co., Midland, Mich.
Aluminum and Magnesium Division:		
Director	Erskine, Harold C	Assistant general manager, castings division, Aluminum Corporation of America, Pittsburgh, Pa.
Deputy Director	Frutig, Henry A	Vice president and assistant general manager, Aluminum & Magnesium, Inc., Sandusky, Ohio.
Automotive Division: Director	Eskridge, Joseph W	Vice president in charge of manufacturing, Hudson special products division, American Motors Corp., Detroit, Mich.
Chemical and Rubber Division: Director	Bertine, Herbert W	Assistant to president, General Chemical Division, Allied Chemical & Dye Corp., New York, N. Y.

Business and Defense Services Administration—w. o. c. employees, June 13, 1955—Continued

Position	Incumbent	Position in private industry
Communication Equipment Division: Director	Barnhart, Hugh A	President, Rochester Telephone Co., Rochester, Ind.; Barnhart VanTrump Co., Rochester, Ind., and director, Public Service Company of Indiana, Inc., Plainfield, Ind.
Containers and Packaging Division: Deputy Director	Postweiler, Norval W	Special assistant to manager (sales engineer), Riegel Paper Co., New York, N. Y.
Copper Division: Director	Peterson, George E	Assistant to president, Simplex Wire & Cable Co., Cambridge, Mass.
Electrical Equipment Division: Director	Bell, Raymond O	Manager, substation section, Allis-Chalmers Manufacturing Co., Milwaukee, Wis.
Food Industries Division: Director	Vander Heide, John S	President, Holland-American Wafer Co., Grand Rapids, Mich.
Forest Products Division: Director	Talbot, Frederick C., Jr	Assistant Atlantic coast manager, lumber division, Pope & Talbot, Inc., New York, N. Y.
General Components Division: Director	Vacancy	
General Industrial Equipment Division: Director	Thomas, William H	Manager, Government sales, Air Products, Inc., Allentown, Pa.
Iron and Steel Division:		
Director	Moore, Thomas J., Jr	General manager, Brainard Steel Division, Sharon Steel Corp., Warren, Ohio.
Chief, Ferro-Alloys Branch	Floyd, Paul E	Consultant, Allegheny Ludlum Steel Corp. of Pittsburgh, Pa., Ferndale, Mich.
Commodity Industry Specialist (Metals-Ferro-Alloys).	German, Howard M	Metallurgical assistant to president, Driver Harris Co., Harrison, N. J.
Chief, Carbon and Alloy Semifinished Rail, Structural Bars, Wire and Forgings Branch.	Graves, Roger E	Sales representative, Bethlehem Steel Co., Detroit, Mich.
Chief, Castings Branch	Hughes, Glenn R	Assistant sales manager, Ohio Steel Foundry Co., Springfield, Ohio.
Chief, Stainless, Ili-Temperature and Tool Steel Branch.	La Grelius, Elmer L	Research metallurgist, Eastern Stainless Steel Corp., Baltimore, Md.
Chief, Business Research and Analysis Branch	Hunter, John A., Jr	Manager, commercial research, Tennessee Coal & Iron Division, United States Steel Corp., Fairfield, Ala.
Chief, Carbon and Alloy Flat Rolled and Tubular Products Branch.	Wisuer, Benjamin G	Assistant manager, tinplate sales, Kaiser Steel Corp., Oakland, Calif.
Metalworking Equipment Division:		
Director	Baldenhofer, Ralph R	Executive vice president and treasurer, Thompson Grinder Co., Springfield, Ohio.
Chief, Facilities, Distributiou and Inventory Branch.	Polk, Albert F	Vice chairman, the Sheffield Corp., Dayton, Ohio.
Power Equipment Division: Director	Firshing, William M	Executive assistant, Babcock & Wilcox Co., New York, N. Y.
Scientific, Motion Picture and Photographic Products Division: Deputy Director.	Mohr, Thomas S	Administrative assistant to president, Taylor Instrument Companies, Rochester, N. Y.
Shipbuilding, Railroad, Ordnance and Aircraft Division: Director.	Curley, Walter J	Vice president, General American Transportation Corp., Pittsburgh, Pa.
Water and Sewerage Industry and Utilities Division: Director.	Krause, Charles W	New York City district manager, Neptune Meter Co., New York, N. Y.

Mr. MORSE. Mr. President, for us to use, as the Capehart amendment would have us do, language which would permit these men to continue to hold those positions would not, in my opinion, change the smell of the rose; its smell would be exactly the same.

What we seek to do under the committee bill is to make certain that in time of peace these persons can be used only as consultants and advisers. Of course, in time of war we return to what the Comptroller General recommended, namely, the situation which existed during both World War II and the Korean war.

Mr. President, when this report was issued, Donald Nelson asked, as I said previously, to be heard by the Truman Committee, in order to urge their continued use. The chairman introduced the discussion with the following statement:

The CHAIRMAN. May I say to you, Mr. Nelson, at this point that the committee has some very definite ideas, which were expressed in our report on the dollar-a-year situation. And we want you to understand, before you go any further, that we want the war won as quickly as possible. If you have to have dollar-a-year men to win the war, this committee is not going to interfere with that procedure on your part, because we want the war won, but we still have some ideas on dollar-a-year men and the ethics and things that are brought to bear on that subject. But this committee does not want to hamper you in carrying out your job. That comes first. (77th Cong., 1st sess., hearings, S. Res. 7, pt. 10, pp. 4025–6.)

Let me say, Mr. President, that I think the majority of our committee made perfectly clear that we hold to that point of view now, and that is why we have provided in the bill language which permits the w. o. c. men to continue in the Government service in time of war.

Mr. FULBRIGHT. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. MORSE. I yield.

Mr. FULBRIGHT. With further regard to the exchange which occurred between the Senator from Oregon and the Senator from Indiana, let me say that unless we were to have two complete organizations of personnel—which would be fantastic, and which we would not tolerate—there would be a situation in which the headman of a division would be expected to step down when a matter of important policy was to be decided, and to let his subordinate make the decision. As a practical, human matter, that is just a fantastic assumption, and simply could not occur. Is not that true?

Mr. MORSE. Yes; and that was brought out in the hearings.

Mr. FULBRIGHT. Of course.

Mr. MORSE. Any headman cannot be expected to step down and let an inferior step up and take his place and make the decisions. If the headman is any good at all, the career man will turn over more and more authority to him.

Mr. FULBRIGHT. Of course. And if the headman should attempt to do any such thing, the underling who, let us say, would return to the role of underling as soon as the decision was made, would be very careful not to cross the headman; would he not?

Mr. MORSE. That is correct.

Mr. FULBRIGHT. So it seems to me that such a proposal would be unworkable as a practical matter.

Mr. MORSE. I think the Senator from Arkansas sets forth very clearly the point of view of the majority of the committee.

Mr. President, in the summer of 1950, when full mobilization of the industrial economy was again necessary, the Congress inserted in the Defense Production Act this section 710 (b), thinking it was necessary, although President Truman had not requested it.

In 1951, the Special Subcommittee on Establishment of a Commission on Ethics in Government of the Labor and Public Welfare Committee held hearings at which a number of prominent public and private citizens appeared. Many of them had occasion to comment on these industry-paid employees.

Lindsay Warren, then Comptroller General, said he had always been opposed to their use; and he went on to say:

I am not making any reflection on many of the fine men who come down here, top men in industry to serve the Government, because most of them, or a large percentage of them, come with highly patriotic motives. But I just do not think that anybody, no matter who he is, should be put on the Federal payroll at a dollar a year for their services. They should be paid a salary that Congress should fix for such a position. (Hearings on Establishment of Commission on Ethics in Government, Special Subcommittee of Committee on Labor and Public Welfare, pp. 24–25.)

On the other hand, David Lilienthal, another able public servant, was strongly in favor of using WOC employees under the conditions prevailing in 1951, although he recognized the problems involved. I cite his views to demonstrate that capable men hold differing views on this subject—page 137, subcommittee hearings on ethics in Government.

The special subcommittee reached the following conclusions:

While this problem seems unavoidable in an emergency of short duration, it is not one which should be allowed to continue. It highlights the importance of further developing the Federal personnel program to make sure that the Government has an ample supply of competent administrators at

high levels as well as the middle and lower ranks. Similarly, the political partics must regularly draw into public affairs more men with managerial competence and integrity. There is a danger of overplaying the "emergency psychology" at the cost of not developing political leaders and civil servants who can deal with new problems which are in fact of a continuing character. On the other hand, civil servants in a large percentage of cases lack the drive and boldness required for a great national effort. (P. 21, subcommittee report on ethics in Government.)

Mr. President, I digress long enough to say, as I pointed out in the committee hearings, that I believe it very important that the Government have in its service, career men who have business backgrounds and have the experience and the expert knowledge which go along with management and ability in the field of industry. There are in the country many men who are competent to fill those Government positions. Many of them have been retired from business at relatively young ages—for instance, in their late fifties or early sixties—and they can really bring to career jobs in the Government service the experience which should be available in these particular jobs.

But, Mr. President, I agree with Lindsay Warren and with the present Comptroller General that, wherever possible, these men should be on the payroll of the Government when they are performing public service; and when they are supposed to be performing Government service, they should not be on the payroll of some corporation or labor union. I think it is simply one of the elementary truths that men should not be placed in positions—particularly when there is not a national emergency or war on our hands—which produce the temptation that a conflict of interests always produces.

The present Comptroller General, Mr. Campbell, who recently testified before the Banking and Currency Committee in executive session, made it clear that he agreed with his predecessor in opposing the use of industry-paid employees in administrative posts. On the basis of his experience and that of the General Accounting Office, Mr. Campbell strongly supported the provision reported by the committee, though he also agreed that in time of war or national emergency it would be necessary to use them notwithstanding the conflict of interest.

I digress to say this word about our expert witness on this point: I would have the Senate remember that he is our agent. I would have the Senate remember that he is our officer. Under our laws we have made the Comptroller General the officer of the Congress of the United States. He sits there, really, in the capacity of a watchdog, to advise the Congress of policies and courses of action connected with the administration of the funds of our Government that we ought to know about in order to check potential abuses as they arise.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment.

The congressional watchdog comes before a Senate committee and urges the adoption of the language which is found in the bill as reported by the committee. I think that opinion evidence, that expert testimony, from a man who is constantly in a position to observe how these policies of Government operate in the fiscal field, is evidence to which the Senate should give great weight when it comes to vote on the bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. Mr. Campbell has been Comptroller General for only some 4 months. I cannot see that he has become too great an expert in 4 months' time.

I should also like to invite the attention of Senators to a case the details of which I shall place in the RECORD later. If Mr. Campbell's judgment is no better than some of the allegations and figures he used in condemning a man named Young, I personally have very little respect for him.

One of the allegations of Mr. Campbell's department against a man by the name of Young was that his company, the American Zinc, Lead & Smelting Co., had sold $60,000 worth of machinery to the Mid-Continent Mining Corp. to which the Government had loaned $325,000. In the executive session of the joint committee the General Accounting Office had to admit that that was a mistake, that the Mid-Continent Co. did not buy $60,000 worth of machinery. The General Accounting Office had to admit that it was a mistake. The letter from which the General Accounting Office took the information to the effect that the Mid-Continent Co. bought $60,000 worth of machinery from the American Zinc, Lead & Smelting Co. was the most flimsy thing I have ever read. I shall place in the RECORD, before the session is concluded, other instances in which Mr. Campbell and his boys, in condemning Mr. Young, were absolutely wrong in their facts. It was proved that they were wrong. If his judgment is no better than his facts and allegations against Mr. Young, I do not intend to follow him.

I suggest that what we ought to do, if Mr. Campbell's department is to be no better from now on than it was in the Young case, is to investigate Mr. Campbell and his department, and those making up the records for him in the case of the General Accounting Office against Young. In my opinion, it was a very sorry affair. Frankly, the Congress ought to do something about it, if we are to depend upon Mr. Campbell and his boys for guidance and advice, as the able Senator suggested a moment ago.

When the able Senator from Oregon reads the RECORD and gets all the facts, he will be the first to rise on the floor of the Senate and say to Mr. Campbell, "You had better be careful in the future whom you attack, and whose reputations you smear, without knowing all the facts. You had better be careful in the future about accusing a businessman of benefiting to the extent of $60,000, and then finding later that it was not true at all, and having to apologize for it."

So let us be very careful whose recommendations we follow in this instance, because before we are through with the Young case there will be some very red faces.

Mr. MORSE. Let me reply to the Senator from Indiana by saying, in the first place, that I have complete confidence in the Comptroller General. He brings to his job a great record of expertness in the field of comptroller work. He was an excellent comptroller of Columbia University. He has demonstrated that he is a man of great courage and integrity. I have not studied the complete record in the Young case. I wish to say, however, that we did not give the Young case a full hearing in the Banking and Currency Committee.

Mr. CAPEHART. The Joint Committee on Defense Production did accord a full hearing.

Mr. MORSE. Mr. President, I will not yield at this point, until I conclude my statement.

We did not give the Comptroller General a full hearing in the Banking and Currency Committee because we decided that the material being presented in connection with the Young case was not controlling on our decision as to the language which should go into this bill, so we stopped the presentation of the full record in the Banking and Currency Committee.

Unfortunately I was tied up in a little local matter, as a "Councilman" of the District of Columbia. The transit strike was occupying our attention at that time, and I was unable to attend the joint committee hearings the other day.

I do not know to what extent a judicial hearing was had in the joint committee which offered the Comptroller General the opportunity to present the full case which he may have had regarding the investigation of the Young matter. I hope I am a good enough lawyer to know that when we get into a complicated case such as that involved in the investigation of the activities of Mr. Young, it may be that some of the allegations do not hold up. But I am not in a position to say that the Comptroller General does not have a case against Mr. Young. I should not only wish to see the total record, but to make sure that a full record on the subject had been made, and a full hearing accorded the Comptroller General.

I wish to restate my complete confidence in the Comptroller General. He is still our officer. The fact that he has been in office for only 4 months does not disqualify him as an expert, because I think in those 4 months he has made it clear to our committee that he has observed enough to justify his recommendation against the Senator's amendment.

Mr. CAPEHART. It was the Comptroller General who wrote a letter to the chairman of the Senate Committee on Banking and Currency and asked that the bill we are now considering be set aside a week ago on the ground that he had uncovered certain misconduct on the

part of a Mr. Young when he was a w. o. c. The Senate did set aside the bill a week ago, as the Senator well knows, and we went into the question in the Senate Committee on Banking and Currency. The Joint Committee on Defense Production went into the case very thoroughly. What I am saying is a matter of record. In my opinion, the allegations which Mr. Campbell made against Mr. Young did not stand up. I invite attention to one specific circumstance. Let me show how unfair the allegation was.

It was allaged that a company called the Midcontinent Mining Corp. had been loaned $325,000 by the Government, and that the Government had lost it; also, that $60,000 of the $325,000 was spent with the American Zinc, Lead & Smelting Co., Mr. Young's company; and that, therefore, the American Zinc, Lead & Smelting Co. benefited by $60,000, and Mr. Young, as president of the company, benefited by $60,000 of the $325,000 which the Government lost.

But when we went into the case the officials of the agency themselves had to admit that the American Lead, Zinc & Smelting Co. never did sell the Midcontinent Mining Corp. $60,000 worth of machinery, never did receive the $60,000; and that it was a mistake. I ask the able Senator, who tries to be fair and who is a great liberal, if he believes in that sort of character assassination. That is exactly what it amounted to. The record of the transaction was placed in the CONGRESSIONAL RECORD even before we held our hearings and the Comptroller General gave out the information.

I am amazed that anyone would take that kind of record from which the information was obtained without checking into it thoroughly. Did the Senator also note that the General Accounting Office through Mr. Campbell did not once consult with Mr. Young? Not once did Mr. Campbell consult with Mr. Young and ask him whether he did or did not sell $60,000 worth of machinery.

Mr. MORSE. Mr. President, I should like to reply to several comments of the Senator from Indiana, but I shall reply first to the last comment by saying that we must not forget that Mr. Campbell presented material before the committee entirely on a preliminary and tentative basis. He made very clear to us that he had not completed his investigation. He made it clear that his office was in the process of conducting an investigation, but that his office was satisfied that it had found enough questionable things in the operations of Mr. Young, with respect to various business transactions, which warranted our going into the matter slowly. That is why Mr. Campbell asked permission to present this material before us. The reason he asked for an executive session was that he wanted us to understand that his office was still in the process of checking up on this subject.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. First I should like to answer the Senator's comment; then I shall yield to him again.

Mr. CAPEHART. I merely want the Senator to be factual and to keep the record straight.

Mr. MORSE. I listened to the Senator from Indiana make his statement, as he was entitled to make it, and I shall now proceed to make my statement without interruption.

I wish to make it perfectly clear that it was not the expectation of Mr. Campbell on the day his office made the presentation of its material to our committee that the material would be made a matter of public knowledge until his office had finished its investigation.

The Senator knows that because of the fault of no one some information did get out to the public and to the newspapers. Therefore we were placed in such a position that, in fairness to Mr. Young, we felt that he ought to be given an opportunity to present his statement before the joint committee in an executive session.

The Senator from Indiana knows that when it comes to a matter of procedural rights of any person, I join with him in taking the position that such an opportunity to appear should be afforded. That was my position in Mr. Young's case.

Subsequently there was more newspaper discussion of the subject. Then the question arose as to whether the record we had made in an executive session of the Committee on Banking and Currency should be released. I felt under the circumstances that we could do nothing but release it.

The fact still remains, however, that all this material was released before Mr. Campbell and his investigators had completed their investigations. I believe in fairness to Mr. Campbell, that the comment I have made had to be made. His office was not given time to carry through and to find out whether all the allegations could stand up. In the hearings I believe it was the Senator from Indiana himself who asked Mr. Campbell if anyone from his office had talked with Mr. Young. He said, "No, we have not reached that point, because we have not completed our investigation." That was the situation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. Of course, the Senator from Oregon is not a member of the joint committee, and he did not attend the hearings. The facts are that the Comptroller General published four volumes on Mr. Young. I have them before me. These four volumes contain allegations. One of them was that Mr. Young's company sold to the Midcontinent Mining Corp. $60,000 worth of machinery and was paid out of the $325,000 the Government had loaned to the Midcontinent company. That was one of the allegations. It was placed in the CONGRESSIONAL RECORD. All the other allegations were also placed in the CONGRESSIONAL RECORD. When representatives of the General Accounting Office were brought before the joint committee, they had to admit that they were mistaken, and that Mr. Young's company had not received $60,000. They had to admit that they were mistaken about other allegations, also.

Mr. MORSE. On all allegations?

Mr. CAPEHART. I shall place all this information in the RECORD. They had sufficient time to make their investigation. If they had not had sufficient time, why did they print these volumes? Why did they give us half the facts or half the figures? For what should they try to give us half truths or half the facts?

Mr. MORSE. Did they admit that they were mistaken on all the allegations against Mr. Young's company?

Mr. CAPEHART. I do not know whether they admitted that. However, I believe the committee pretty well came to the conclusion that they were mistaken. They did admit they were mistaken on the $60,000 matter.

Mr. MORSE. On one allegation they admitted an error. Did the Comptroller General take the position that his office was mistaken on all the other allegations?

Mr. CAPEHART. I do not know whether they did. However, they did admit their mistake in this instance. I believe they did on others also. I shall put the information in the RECORD. First, I should like to ask the Senator from Oregon whether he is in favor of making even one mistake like that. How can a great liberal be willing to assassinate the character of a man or make the allegation that a man benefited to the extent of $60,000 when there is absolutely no truth to the allegation?

Mr. MORSE. I am always amused——

Mr. CAPEHART. The story was spread all over the newspapers and it was put into the CONGRESSIONAL RECORD. Then Mr. Campbell had to admit that there was no truth to it.

Mr. MORSE. I am always amused by the diversionary tactics of the Senator from Indiana when he attempts to divert us from a pending issue by imputing to others in the Senate that they have views of one kind or another and put words in their mouths. Let us hold ourselves to the issue.

Mr. CAPEHART. I am a great believer in defending the rights of the individual.

Mr. MORSE. I shall not yield until I have finished my statement. I do not yield to the Senator from Indiana or any other Senator in protecting the procedural rights of the individual. Certainly I shall not let the Senator from Indiana put me in the position that when there is a long list of allegations——

Mr. CAPEHART. There were only four allegations.

Mr. MORSE. There was a long list of them.

Mr. CAPEHART. No; not a long list.

Mr. MORSE. I ask the Senator to look at the evidence under the allegations. There are multiple allegations.

Mr. CAPEHART. No; only four allegations.

Mr. MORSE. There are a great many ramifications in the business world in which Mr. Young operated.

Mr. President, if it is true that a mistake was made by the Comptroller General in respect to one allegation, I do not propose to let the Senator from Indiana put me in the position of being some kind of character assassin.

Mr. CAPEHART. The Senator from Oregon ought to get as much excited when a businessman's character is assassinated as when the character of any other individual is assassinated.

Mr. MORSE. The Senator's statement is based on the assumption that the Senator from Oregon does not have concern when the character of a businessman is attacked.

Mr. CAPEHART. I am sure the Senator is concerned.

Mr. MORSE. The Senator makes it necessary for me to answer his argument. Otherwise, my silence would put me in the position of agreeing with the Senator's unwarranted and false assumptions that it is all right to assassinate the character of a businessman. To the contrary, it is not right or justifiable to violate the rights or to assassinate the character of any American, businessman or any other man, as the Senator well knows.

Mr. CAPEHART. I know that is the feeling of the Senator from Oregon.

Mr. MORSE. Why do we not keep the discussion to the issue of whether the Comptroller General's complaints in executive session warranted the action which the Committee on Banking and Currency took?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the chairman of the committee.

Mr. FULBRIGHT. There is one reason why the Comptroller General, in a sense, jumped the gun. He wished to present his material to the committee before his investigation was completed because the bill now under debate was on the floor of the Senate and was about to be acted on. It is my understanding he wrote his letter in order that the committee might have the benefit of his observations before the Senate took final action.

Mr. MORSE. The Senator is correct.

Mr. FULBRIGHT. That is the first observation. The next observation is that the great office of the Comptroller General is an institution which goes on over the years. It so happens that the present Comptroller General's opinion is exactly on all four with the views of his predecessor, Mr. Lindsay Warren, who was Comptroller General for many years, and with whom all the Members of the Senate are well acquainted. I believe most Members of the Senate have a very high opinion of his integrity.

This is not something new by a newcomer to the office. It is the continuing view of the office of the Comptroller General, and has been the view for many years.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Delaware.

Mr. WILLIAMS. I appreciate the Senator's yielding to me. I had something to do with putting this case in the CONGRESSIONAL RECORD. Certainly I will not apologize for doing it. I have read the report in its entirely. I received the information in an official way, and I proceeded to discuss it. I have discussed such matters in the past, and I shall continue to do so in the future, with or without the consent of the Senator from Indiana or anyone else. I want that to be perfectly clear.

As recently as yesterday I talked to the Comptroller General, and I find that he has not backed down on his basic conclusions as contained in the report. It is true that there may be some minor discrepancies. In a 4-volume report we will find discrepancies. We find discrepancies in statements made on the floor. But the basic facts behind the criticism of the contract, as I understand from the Comptroller General, stand. In the particular contract which the Senator from Indiana discussed, the payment of $60,000 for a piece of machinery for the American Zinc, Lead & Smelting Co. was only a minor item of the report.

What the Comptroller General criticized was: That there was a company formed in 1951 with practically no initial capital. The company initially asked for $600,000 from the Government who finally gave it $325,000 with the proviso—and this is in the committee's records—that the company show that it could put up an additional $75,000 if the $325,000 were not sufficient to get the plant into operation. In order to assure the Government that they could put up $75,000, they submitted with their application a letter signed by the American Zinc, Lead & Smelting Co., of which Mr. Young was formerly president and from which at that time he was drawing $80,000 a year. This letter of July 21, 1952, stated that after the company, the Mid-Continent Mining Corp., had spent the $325,000, if it were not sufficient, they would, in turn, advance the company an additional $75,000. The American Zinc, Lead & Smelting Co. was to have the right to smelt and to process the zinc produced under the Government contract. That letter appears as exhibit 3, part 1, of the Comptroller General's report.

The fact remains that they received $325,000 from the Government and still did not get into operation; yet the American Zinc, Lead & Smelting Co. did not put up the $75,000 as they had agreed. On the contrary, they unloaded this obligation, too, on the Government.

Throughout all these negotiations Mr. Young took an active part, as the Comptroller General's report shows.

There are letters signed by the American Zinc, Lead & Smelting Co., letters signed by Mid-Continent Mining Corp., and agency correspondence mentioning Mr. Young's part in these negotiations. Ultimately the Government lost all of its money.

I think it is unfortunate that we should have this discussion, because I agree fully with the Senator from Oregon that the amendment has nothing to do with Mr. Young. We are dealing with a policy, as the Senator from Oregon pointed out. But the question is before us, and I think the facts should certainly be made straight. I reserve to Mr. Young the courtesy of giving him his day in court; but since when can we not discuss cases on the floor without having to call a man before a Senate committee? That has not previously been the policy of the Senate, and, so far as I am concerned it, will not be the policy in the future.

Mr. Young in his official capacity as Deputy Administrator of DMPA negotiated contracts. He negotiated contracts involving his own company. That may be proper in the opinion of the Senator from Indiana but not in mine. The Comptroller General has urged that we spell out in the law the proper safeguards and accordingly has endorsed the committee amendment.

Mr. Young did not sign any of these contracts in his official capacity, but as deputy administrator to Mr. Larson, his chief, Mr. Young did negotiate contracts and he did take an active part in negotiating them. The only reason that he did not actually sign the contracts was that as a dollar-a-year man it was necessary that Mr. Larson do the actual signing. At the same time he was working for the Government at a salary of a dollar a year he was drawing approximately $80,000 a year from his company. Unquestionably these contracts would result in some additional earnings, and unquestionably he had a practical interest. The question we are discussing today is whether we approve of that type of operation as correct. I think not and therefore shall support the committee and the Comptroller General's recommendations. That is all there is to the question. I am not trying to pass a verdict on Mr. Young as to whether what he did was legal or illegal, but so far as I am concerned it was unethical to say the least. The only question before us now is how we are going to operate in the future.

Mr. MORSE. Mr. President, I surmise that honest and sincere men can differ in their interpretation of what is presented by the Comptroller General and by the joint committee in regard to the Young case. The statement of the Senator from Delaware shows a diversion from the point of view of the Senator from Indiana. The Senator from Indiana has said several times in the course of the debate that, in his judgment, the allegations of the Comptroller General did not stand up. He is certainly entitled to that judgment. I have no judgment about it until I have studied the record. Not being a member of the committee, I have not studied the record.

The Senator from Delaware says that he agrees that Mr. Young should have his day in court. In my judgment, that is where his case should be, and not in the United States Senate. In court he will be protected by the rules of evidence and the rules of procedure so that he can present his proof in an orderly fashion. But the Young case, in and of itself, in my judgment, has only a rather indirect connection with the subject matter under discussion, only to the extent that it happened to be one of the cases which the Comptroller General cited as partly supporting his point of view that the

policy of using WOC's in peacetime should not be followed.

I turn to page 50 of the transcript of the joint committee hearing in which the Senator from Arkansas [Mr. FULBRIGHT], the chairman, said:

> Mr. Campbell, are there any other cases that are under study in this general field pertaining to conflict of interests?
>
> Mr. CAMPBELL. We have some.
>
> The CHAIRMAN. You have some others?
>
> Mr. CAMPBELL. Yes, sir.
>
> The CHAIRMAN. Is it fair to say that your judgment in favor of the bill as it passed out of the committee is based upon your general knowledge and other cases under study?
>
> Mr. CAMPBELL. That is a fair statement.

I wish to say, Mr. President, that, in my judgment, the Comptroller General is one of the most able administrators within the Eisenhower administration. The Comptroller General is our agent, whose opinion should be given great weight by the Senate of the United States in the consideration of this issue.

I now yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, the director of Mr. Young's department was Mr. Larson. Mr. Larson testified before the joint committee that he and he alone passed upon all contracts; that he and he alone accepted full and complete responsibility for all the acts of Mr. Young; that he knew what was going on at all times.

The point I made a moment ago was that one of the allegations which Mr. Campbell made against Mr. Young was that his company sold to the Mid-Continent Mining Corp. $60,000 worth of machinery, thereby receiving $60,000 of the $325,000 referred to, which was later admitted to be absolutely an error. I made that statement. The able Senator from Delaware gets into the act. He is not a member of the Senate Banking and Currency Committee and is not a member of the Joint Committee on Defense. The Comptroller General presented these documents originally to the Joint Committee on Defense Production. Representative BROWN is the chairman of that committe. He called an executive session and summoned Mr. Campbell and his assistants before the committee. The committee voted to call Mr. Young to get his side of the story. The next day the Comptroller General wrote the chairman of the Senate Banking and Currency Committee calling his attention to it and suggesting that action on the defense production bill be held up.

The next day, or the day following that, the joint committee held a hearing in which they invited Mr. Young to be a witness. But prior to doing that, the able Senator from Delaware [Mr. WILLIAMS], took it upon himself, without waiting until the committee could make its findings, without waiting until he got Mr. Young's story, to print the whole matter in the RECORD.

My point is that we in Congress, whether in the Senate or the House, ought not at any time place in the RECORD and thereby make public allegations against persons until we at least have heard their side of the story. That is particularly true when a committee of Congress, in this case the Defense Production Joint Committee, was considering a matter.

I want the Senator from Delaware to know that I had all the information, but I was under an obligation not to disclose it, because we had agreed in executive session not to do so while the matter was being considered. That was the understanding of all the members of the committee.

But the Senator from Delaware telephoned to the General Accounting Office and asked for a copy of the report; and, as he is a Senator, it was given to him. He then proceeded to place it in the RECORD while our committee was considering the matter in executive session and was under an obligation not to print it.

I do not mind telling the Senator from Delaware that I do not like that sort of procedure. I do not care who knows it. I am telling him on the floor of the Senate that I think it is unwarranted and unjustified.

I think the Senate ought not to permit businessmen or any other persons in the United States to have their characters assassinated by the making of allegations on the floor of the Senate until at least the person concerned has had his day in court. That is the way I feel about it, and I want the Senator from Delaware to know it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MORSE. Mr. President, I have the floor, and I intended to reply to the Senator from Indiana, but I yield first to the Senator from Delaware.

Mr. WILLIAMS. I should like to point out that not only has the Senator from Indiana made the charge that the Senator from Delaware has assassinated the character of Mr. Young, but he has also made the same charge against the Comptroller General, because I only quoted his language as written in his report. As to the argument that it would have been better had I called him before the committee, I wish that it had been possible but unfortunately I had no investigating committee nor am I a member of your committee.

Mr. CAPEHART. The Senator knew he was before our committee.

Mr. WILLIAMS. In 1953, when our party was in control of Congress, one of my first requests of our party was that we create a committee through which we might proceed to make some of the investigations on which I had been working. With the vote of the senior Senator from Indiana, I was refused that permission. Therefore, I have continued to operate as I have in the past—as an individual.

There is nothing in the rules of the Senate which provides that I must go to the Senator from Indiana and ask him if I may make a speech on the floor of the Senate; and I am not going to start such a procedure.

Mr. CAPEHART. There is nothing in the rules of the Senate, but there are some rules among men. A Senator does not rise on the floor and deliver an address on a subject when a committee is considering the matter in executive session, and the members of the committee are under an obligation, because of the executive session, not to release the information to the newspapers. I do not think a Senator, under such circumstances, has the right to rush into print and give such information to the public.

Mr. MORSE. Mr. President, I do not yield further.

I do not believe the Senator from Delaware has violated any trust. I do not think there is a scintilla of evidence before the Senate that he has violated any trust. He was not a member of the Committee on Banking and Currency. He had no knowledge of what was going on in an executive session of that committee.

The senior Senator from Delaware has for the past several years made a record in the Senate of investigating wrongdoing within the Government. As I understand the situation, he was led to believe there was something which was not right about the transactions conducted by this particular company head, Mr. Young. The Senator from Delaware in his individual capacity as a United States Senator, talked to the Comptroller General. That had nothing to do with the work of the Committee on Banking and Currency.

The Senator from Delaware brought to the Senate documents which he thought supported his allegations. Not only do I think he acted properly in doing so, but I shall never support in the Senate the proposition that we shall have some kind of censorship imposed on us as to what we shall say on the floor of the Senate, when we are performing what we believe to be a duty in the public interest, or when we place in the RECORD what we think is necessary to support the position we take in connection with the public interest.

I wanted to make this statement before the Senator from Delaware made any reply, because I do not think the Senator from Indiana meant to imply, as his language in cold type will imply tomorrow, when he reads it, that the great Senator from Delaware was guilty of any misconduct on the floor of the Senate or was guilty of violating any trust.

I think the senior Senator from Delaware has demonstrated very clearly his personal courage and willingness to stand up and take the heat in doing what he thinks is necessary to protect the public interest in regard to transactions within the operations of the Government.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WILLIAMS. I may say to the Senator from Indiana that I did not discuss the matter with any member of his committee. I did not know of his interest until I read of it in the newspapers. I was not the least bit interested in what was going on in his committee. I did not discuss it with the staff. I did not get this information in any backhanded manner. I got it in the same manner as I have obtained statements with respect to 3 or 4 previous reports concerning the stockpiling agency. I have made such investigations before. I confirmed every one of them with the Comptroller General or other agencies involved, as I did in this

case. I have always confirmed my statements with the agency involved or with the Comptroller General, not with the Senator from Indiana.

To my knowledge, the Senator from Indiana was not in the least bit interested in the other reports. Therefore, I did not go to the Senator and ask him for his opinion, nor did he come to me.

If the Senator from Indiana had something he wanted to keep secret, why did he not come around to the Members of the Senate and say, "We are going to work on something, and we want it kept secret"? But we cannot do that. The Members of the Senate have a right to operate individually. No Senator nor group of Senators can prohibit another Senator from speaking his opinion. There have been many scandals exposed in the last 2 years. The only interest which the Senator from Indiana has taken was when he voted against my proposal to have the necessary authority provided to establish a committee to continue the investigations which had already been started.

Moreover, I remind the Senator from Indiana that every statement which I have made in regard to Mr. Young's operations was and still is fully supported by the Comptroller General.

Mr. CAPEHART. I personally discussed the matter with the able Senator from Delaware.

Mr. WILLIAMS. Not until after I had put the matter in the RECORD.

Mr. CAPEHART. It was before the Senator placed the matter in the RECORD. He knew the joint committee was investigating the matter. He knew we intended to have Mr. Young before the committee as a witness, because he and I discussed the subject.

The point I am trying to make is that I do not like the idea of the able Senator from Oregon and the able Senator from Delaware, one on each side of the aisle—they can condemn me all they please—rising in the Senate or at any other place and condemning a man without giving him a hearing, without hearing his side of the story, or at least without putting into the RECORD his side of the story, as well as the other side.

The Senator from Delaware has had 3 or 4 days in which to place Mr. Young's side of the story in the RECORD, but he has not seen fit to do so. I shall place it in the RECORD before the day is over.

The Senator from Delaware should not have acted as he did. I remember the consure which the Senate visited upon a Member for doing that sort of thing—for condemning persons and not giving them an opportunity to be heard, and for sending such information throughout the United States, not knowing whether it was true or was not true.

Mr. WILLIAMS. If I am wrong in having this sort of philosophy, or this sort of thinking, namely, that we must insist upon honesty in Government, then let the Senator from Indiana object.

Mr. MORSE. That sort of thinking is perfectly proper, as to the application which the Senator is making in this instance.

I want to find out from the Senator from Indiana if, either directly or indirectly, he is accusing me of following a course of action which he is condemning, namely, of making charges without having any foundation in fact for the charges.

Mr. CAPEHART. I simply quoted the Comptroller General. One of the three allegations against Mr. Young was that his company benefited to the extent of $60,000, which it was later discovered was false. Yet the allegation that his company benefited by the $60,000 is a part of the record. It was published in every newspaper in the United States because it was placed in the CONGRESSIONAL RECORD. Now it develops that the allegation is not true and was not true. That is what I am objecting to. I shall continue to object to such disclosures as long as I live, because I do not think it is fair or honest to make them. I was under the impression that it was for that sort of tactics that a certain Member of this body was criticized and censured.

Mr. MORSE. What the Senator from Indiana is saying, in effect, is that no indictment can be filed until there shall first be a conviction; and the question is as to whether the Comptroller General, in the allegations which he made, which constitute an indictment, had probable cause to believe that the allegations were sound.

The senior Senator from Delaware has told us that he has made that charge stand up. There are some minor assertions or mistakes——

Mr. CAPEHART. The Senator from Delaware is not a member of the committee; he did not hear the testimony.

Mr. MORSE. The Senator from Delaware says he still stands by his allegations, and the record will show that the Comptroller General can support his allegations. Certainly, the Senator from Indiana is not going to suggest that no charges can be made by a Senator unless he has proof to establish them, is he?

Mr. CAPEHART. The Comptroller General has already admitted he was wrong about the $60,000.

Mr. WILLIAMS. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. WILLIAMS. I spoke with the Comptroller General last night. I think there is a misunderstanding. Some member of the committee should have a statement from the Comptroller General to put in the RECORD to clear up the difference, but I was advised that he was not withdrawing the basic conclusions he reached in the report. He admitted there may have been some technical differences. So far as the $60,000 is concerned, about which such a great hullabaloo is being made, I do not recall that particular item. That was an insignificant part of the overall report.

I point out that, rightly or wrongly, the same procedure of presenting such cases has been followed during the last 2 years. It was followed without any support from the Senator from Indiana.

As a result of the exposures of recent scandals there have been 214 indictments and 101 convictions in one agency alone.

If the Senator will read the remarks which I made a few days ago, he will find that I said I was putting into the RECORD a history of certain contracts as they were reported by the Comptroller General. Certainly they were subject to challenge by the man affected. I did not make any charge against Mr. Young except as the contract and history of the case would constitute a charge. If the Senator from Indiana states that was a smear on Mr. Young, I say the only reason it would smear him would be because the facts were dirty. If the Senator from Indiana claims that Mr. Young in his official capacity did not negotiate a contract involving a company, which in turn negotiated a contract with his own company; if the Senator from Indiana claims that he did not receive $80,000 from his company while he was negotiating these contracts; if the Senator from Indiana claims that the company of which Mr. Young was president did not promise in a letter filed with the Defense Production Administration, "If the Government will advance $325,000, we will advance $75,000 if that is not enough"; if the Senator from Indiana in his defense of Mr. Young wishes to deny these allegations as contained in the Comptroller General's report, he should say so.

Mr. MORSE. I am not going to yield any further.

Mr. WILLIAMS. Silence is golden.

Mr. MORSE. I am not going to yield any further for a discussion of the Young case. If the Senator from Indiana wants to discuss the Young case, he can do so on his own time. I have always made it a practice to be generous in yielding during the course of my own speech, but I think the Senator will have to agree that it is becoming such a diversionary matter and so far removed from the general thesis that I would still not be violating courtesy if I did not yield further on the Young matter.

In fact, I am going to summarize my speech and put the remainder of it into the RECORD, as though it had been read, but first I should like to make a few brief comments.

There are two statutes which are primarily involved: Section 434 and section 1914 of the Criminal Code. Section 434 imposes a fine and jail sentence on a Government employee who acts as an agent of the United States for the transaction of business with a firm of which he is an officer or agent or in whose pecuniary profits he is directly or indirectly interested. Section 1914 prohibits a Government employee from receiving a salary for his work for the Government from any outside source. In addition, other statutes relating to the prosecution of claims and handling other matters in which the Government is interested are also involved.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing the conflict of interest provisions not applicable to WOC's appointed under the Defense Production Act of 1950.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Conflict of interest provisions not applicable to w. o. c.'s appointed under Defense Production Act of 1950

Statute	To whom applied	Acts prohibited	Period	Penalty
5 U. S. C., sec. 99 (R. S. sec. 190)...	Person employed as officer, clerk, or employee in any of the departments.	To act as counsel, attorney, or agent for prosecuting any claim versus United States pending in either of the departments while he was such officer, clerk, or employee, or to aid in prosecution of any such claim.	Employment and 2 years thereafter.	Declared "unlawful."
18 U. S. C., sec. 281 (old secs. 203, 113 C. C.).	Head of department, or other officer or employee of United States (except certain retired officers).	Directly or indirectly receives or agrees to receive any compensation for services rendered or to be rendered by himself or another, in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter in which United States is a party or interested, before any department, agency, court-martial, officer, or any civil, military or naval commission.	Employment.....	Fine, prison, and disqualification.
18 U. S. C., sec. 283 (old secs. 198, 109 C. C.).	Officer or employee of United States.	Act as attorney or agent for prosecuting any claim versus United States or aid or assist in prosecution or support of any claim otherwise than in proper discharge of official duties, or receive any gratuity, or share or interest in claim in consideration of assistance in prosecution.	....do.....	Fine and prison.
18 U. S. C., sec. 284 (old sec. 19 (e) Contract Settlement Act).	"Whoever, having been employed in any agency" (former employee).	Prosecute or act as counsel, attorney, or agent for prosecuting any claim versus United States involving any subject matter directly connected with which such person was so employed or performed duty.	2 years after cessation.	Do.
18 U. S. C., sec. 434 (old secs. 93, 41 C. C.).	Officer, agent, member, or interested in profits or contracts of firm.	Employed or acts as officer or agent of United States for transaction of business with such firm.	Employment.....	Do.
18 U. S. C., sec. 1914 (former 5 U. S. C., sec. 66).	Government official or employee, or person paying.....	Receive salary in connection with services as such official or employee from any source other than Federal, State, or local Governments, or contribute to or supplement salary of Government official or employee for services performed by him for the United States.	....do.....	Do.

Mr. MORSE. Mr. President, these statutes have been considered at length in connection with the confirmation of a number of officials, and special bills which would grant exceptions for other officials.

The most recent case was the confirmation of Secretary Wilson, and Deputy Secretary Kyes, and Secretary Stevens. Secretary Wilson, you will remember Mr. President, had resigned from his position at GM, had arranged to have the pension he had earned paid in cash, and agreed to sell most of his stock and to give the rest to his family, irrevocably.

The senior Senator from Virginia discussed section 434 at the time Secretary Wilson's confirmation was being considerd. I should like to read from his statement:

> Among other applicable statutes, I would say section 434, title 18, United States Code, headed 'Interested persons acting as Government agents' is descriptive of the general policy of the United States Government with respect to this subject of conflict of interest.
>
> It seems to me that that law lays down clearly, concisely, and simply the fundamental questions involved in this very vital public matter.

After pointing out that this act was originally passed almost 100 years ago, he continued:

> As in the beginning, section 434 still, in plain and simple terms, constitutes a code of ethics for Government officials.
>
> It is not an antiquated law, as some have said. It states a solid and sound principle and, in substance, it says that no officer or agent of the United States shall transact business with a business entity in which such officer has a direct or indirect pecuniary interest. This is good Americanism, as I see it. * * *
>
> I am in favor of that law. I would resist to the utmost of my capacity any effort to change or weaken it, regardless of the source of such an effort. It is, as I said, a code of ethics with relation to the question of conflict of interest.

In connection with a bill to exempt an employee of a Senate committee from these conflict-of-interest laws to permit him to continue his legal practices, a bill which was enacted, the senior Senator from Utah made the following statement in opposition to the bill in a letter of July 11, 1951, which was inserted in the RECORD:

> The conflict-of-interest laws are an attempt to write into the law the concept that public office is a public trust. They seek to express in law the principle that no man can serve two masters. To that end they provide that no public officer or employee of the Federal Government may engage in activities which are incompatible with the duties of his public office.
>
> In my view, the conflict-of-interest laws should be upheld and strictly enforced in all their ramifications. They should not be weakened and eaten away by exceptions and waivers. I personally hold these views as a matter of principle and shall continue to stand by them now and in the future.

These conflict-of-interest statutes are waived by the provision in the Defense Production Act in order to make it possible for the Government to employ these men without fear of later prosecution. The statutes prohibiting direct bribery are not waived.

Mr. President, may I say by way of summary that the material contained in the remainder of my speech emphasizes the following points:

No. 1: The pending bill permits the use of business executives from industry, labor, or any other walk of life in an advisory and consulting capacity in peacetime.

No. 2: The pending bill in no way restricts the power of the Government to use representatives of industry and labor and other economic groups in wartime in administrative and policymaking positions.

No. 3: We have a long line of expert testimony by such men as the former Comptroller General and the present Comptroller General which makes it very clear that, from every standpoint of Government administration, it is desirable to have the bill in its present form. I have to modify that statement by saying that Mr. Lindsay Warren was not afforded an opportunity to testify on the pending bill, but the committee had inserted in the record statements which Mr. Lindsay Warren had made when he was Comptroller General, which showed unequivocally his support of the principles of the bill as reported by the committee.

Fourth, this bill in no way whatsoever modifies or affects the reserve training program for business executives. That program is separate and distinct from the provisions of the bill which deal with the w. o. c.'s who are brought into the Government service and are placed in administrative or directorship positions.

If Senators wish to know the nature of these positions, I call their attention again to pages 35 and 36 of the committee hearings which are on our desks. Senators cannot read the description of those positions and escape the soundness of the conclusion which Mr. Campbell presented, namely, that the very nature of these positions carries with them administrative and policymaking duties. That was also the testimony of the Secretary of Commerce, Mr. Weeks, and of his assistant, Mr. McCoy. From the hearings, Senators will find that I asked Mr. McCoy whether these jobs carry with them policymaking and administrative duties. He testified that they did. Senators also will find the testimony of Dr. Flemming, to the same effect.

So, Mr. President, we have before us, in my judgment, a matter of most important policy, namely, whether we are to write into the law a safeguard which will remove businessmen and labor leaders called into the service of the Government from the realm of suspicion, because we cannot escape the fact that in time of peace, when they are serving in these administrative positions and have administrative control over a staff of full-time, Government career employees, they are going to subject themselves to suspicion. Here is a case with respect

to which the old saying is sound, namely, that when there is a procedure which tempts abuse, it is the duty of the Congress, in the public interest, to pass a law which will remove the danger of the abuse.

We do not propose to take away from Secretary Weeks or from Dr. Flemming or from any other administrative officer the opportunity to have the benefit of the advice of these experts and of being able to consult with them; but we are saying that, as a matter of sound, governmental policy, in time of peace there shall not be placed in administrative, policymaking positions dollar-a-year men, or so-called w. o. c.'s.

Mr. President, I believe we should use such men as advisers and consultants; and then we should build up a staff of career servants—using, for example, some of the retired business executives in the United States, who should be brought into the Government service when they still have much to contribute to their country; and we should have them serve the Government on a full-time basis, so they will not at the same time be receiving pay from a private corporation or a labor union. That is the position of the committee; and I think the committee deserves the support of the Senate by means of a vote in favor of passage of the bill as it came from the committee.

Mr. President, I now ask unanimous consent that the remainder of my address be printed in the RECORD at this point.

There being no objection, the remainder of Mr. MORSE'S address was ordered to be printed in the RECORD, as follows:

When the Defense Production Act was passed, President Truman issued Executive Order 10182, in accordance with the act. This placed limits on the activities of these employees. In particular these industry-paid men were not permitted to negotiate or execute contracts with their private employers or to make recommendations or approve individual applications under the act submitted by their private employers. And the order established the policy of using them only where full-time salaried employees, subject to the conflict of interest laws, could not be found, and directed that their duties should avoid as much as possible any conflict of interest.

The testimony of Mr. Di Salle, of OPS, and Mr. Fleischmann, of NPA, at the hearings held by Representative CELLER in 1951 was entirely favorable to these w. o. c.'s, though both officials recognized the problems inherent in the situation and used great precautions to prevent any harmful results. Both Mr. Di Salle and Mr. Fleischmann testified that the w. o. c.'s had performed a valuable, if not indispensable, service in the mobilization program.

But there have been two changes since the days of 1950, 1951, and 1952. In the first place, the mobilization program has changed in scope and in character. It those days our soldiers were fighting in Korea, and the entire industrial system was mobilized to support their efforts and to prepare against a further spread of the fighting. Prices, wages, and rents were controlled, and practically all materials were being allocated. Now there are no price or wage controls, and only a small amount of material is being allocated, and that only to the military and AEC. The size of the operation is infinitely smaller, and the emphasis is now on building up stockpiles and productive capacity, to be ready for a quick conversion to full mobilization at some time in the future. Fewer employees in the agencies are needed, and less immediate knowledge of industrial operations is required by the employees themselves. Those needs can be more adequately filled now by advice from consultants and advisory committees.

In the second place, the indications are that the w. o. c. industry-paid employees are being used for general purposes, as a matter of policy and not of need for defense purposes, and this by officials less sensitive than Dr. Flemming to the central conflict of interest problem.

Secretary Weeks, in establishing the Business and Defense Services Administration is quoted as saying:

"We propose * * * to establish approximately 20 main industry divisions with key advisors, recommended by various industries to represent them, and staffed for operation purposes by industrial experts from the career services * * * the functions of the proposed business services agency will be to * * * see to it that, while private business, of course, cannot dictate Government policy and plans, it be placed in a position where it can effectively approve or disapprove of the implementation of such policy and plans from the standpoint of their practical workability in every day industrial operation."

And again:

"The chairman of each commodity division will be an outstanding industrialist recommended by his industry, and serving full time without pay on a 6-month rotating basis."

I call your attention particularly to two phrases Mr. Weeks used, which I think show a complete misapprehension of the purpose for which section 710 (b) was enacted (p. 134, hearings before Committee on Banking and Currency, 84th Cong., 1st sess., on S. 2163 and 2165).

Mr. Weeks says that key advisers—the division directors—are employed to represent industries. Industry advisory committees and trade associations may properly represent industries. Government officials should represent the people of the United States and no one else.

Mr. Weeks says business ,presumably in the persons of these industry-paid division directors, should be placed in a position where it can effectively approve or disapprove of the implementation of policies and plans from the standpoint of their workability. Business should certainly be consulted and should certainly give advice, but it should have no veto power over the implementation of a governmental policy.

The Business and Defense Service Administration (BDSA) is not limited to mobilization functions. It also carries on functions under the Department of Commerce basic statutes such as:

"Except as otherwise provided by law or Executive order, establish the Business and Defense Services Administration as the logical point in Government for representation of the domestic interests of business and industry in their relations with other governmental agencies;

"Provide other departments and agencies of the executive branch and the Congress with required information and judgment concerning the viewpoints and interests of business and industry;

"Cooperate in assuring consideration of the domestic needs of small-business enterprises with the view to strengthening their position in the national economy;

"Obtain the views and advice of business through the establishment of, and consultation with, industry councils and industry advisory committees, and through cooperation with trade associations;

"Encourage efficient and effective domestic distribution of goods and services to further the expansion of domestic markets necessary for optimum utilization of the Nation's productive capacity;

"Act as a clearinghouse for Government technological information of interest to business and assist industry in the voluntary standardization of products; and

"Cooperate with other agencies of Government in programs to achieve economic stability and growth and with industry in the development of industrial and business programs having as their purpose a sound, prosperous, and expanding economy." (P. 111, Fourth Annual Report, Joint Committee on Defense Production.)

While Secretary. Weeks and Mr. McCoy testified that the industry-paid employees spent most of their time on mobilization activities, and, of course, refrained from personally handling priority or tax-amortization applications submitted by their companies, they conceded that the w. o. c.'s did participate in nonmobilization matters at times, and, of course, they are the supervisors of the civil-service employees who handle these matters and who are dependent on the division directors for promotions and efficiency ratings.

It seems clear that Secretary Weeks has gone far beyond the spirit of section 710 (b) and Executive Order 10182. Perhaps this is because he is not as sensitive to the conflict of problems as Dr. Flemming. Secretary Weeks made the following statement at the hearing:

"There has I think been some suggestion that there possibly could be a conflict of interest. We think there cannot be any conflict of interest. The WOC comes in and, to be sure, he continues on the payroll of the company from whom he is borrowed, so to speak, but he comes in and he is a Government man. He takes the same oath that any of the rest of us takes. He does not in all respects operate even as head of an industry division. He does not operate, in my opinion, as a policymaking individual. I and the Assistant Secretary, the head and deputy head of the Business and Defense Services Administration, consider ourselves the policy people, and these people implement the policymaking suggestions as they go along."

This quotation, in addition to displaying a distressing lack of appreciation of the conflict of interest problem, also points up a real problem in the proposed amendment—the use of the completely meaningless phrase "policy matters." Mr. Weeks obviously thinks that he and Mr. Honeywell decide all policy matters in the Commerce Department, and these industry paid division directors—men of outstanding experience and ability—are merely messenger boys, or are merely there to represent their industries and effectively disapprove of policies determined on by Mr. Weeks or Mr. Honeywell.

The term policy is, in my view, a relative matter. Many governmental policies are established by the Constitution and statutes, but I am sure the amendment does not refer to this kind of policy. Other policies are established by the President or by ODM, but again the amendment undoubtedly does not use the word policy in this sense. Then there are lesser policies established by the Commerce Department within the framework of constitutional, statutory, Presidential, and ODM policies. The establishment of policies does not stop with Mr. Weeks and Mr. Honeywell. The division directors and section chiefs in BDSA also, as I see it, establish policies—perhaps of a lesser order, as Mr. Weeks' policies are of a lesser order than the President's policies—but still major policies of vital importance to industry and the public.

With this kind of a basic disagreement as to the phrase policy matters, it seems most undesirable to write a law based on this phrase. This is particularly true, as we are considering a provision making an exemption from a number of criminal laws. Ex-

emptions from criminal laws ,like the criminal laws themselves, should be reasonably clear and precise.

In order to show how the conflict of interest problem arises, even under the limitations imposed by President Truman under Executive Order 10182, let me cite a specific case.

The Director of the Aluminum and Magnesium Division of BDSA is now a man from the Aluminum Company of America. His predecessor, under the '6-months' rotation system was a man from Reynolds Metals Co. In the summer of 1954, the proposal for a third round expansion of the aluminum-producing industry came up. The issue was whether aluminum capacity was sufficient to take care of future needs of business, including particuiarly small business, and of the stockpile.

The man from Reynolds, at the head of the Aluminum and Magnesium Division, was in charge of the initial recommendation, including the preparation of the statistics and estimates as to future suppiy and demand. The Division found no need for the expansion, Commerce convinced ODM that there was no need for the expansion, and the third round expansion did not go through.

By January small business found it could no longer get the aluminum it needed, and the shortage is now so great that deliveries to the national security stockpile have been stopped for the third quarter of 1954, and may be stopped for the fourth quarter.

Small business and the stockpiie have been hurt.

What about Reynolds Metals? Their quarterly sales have risen as follows: in the 4 quarters of 1954 and the first quarter of 1955, $65.7, $77.3, $78.1, 85.7, and for the first quarter of 1955, $87.2 million. Over the same period their earnings per share have risen even faster: $2.19, $2.66, $2.61, $2.63, and for the first quarter of 1955, $3.54. The decision has certainly not hurt Reynolds.

The man from Reynoids who participated in this decision was certainly violating no laws; they had been waived. He was no doubt acting entirely on the basis of the facts as he saw them. And it is entireiy possible that a full-time salaried civil-service employee would have made the same decision and recommendation in the summer of 1954. The higher officials in Commerce and ODM accepted the recommendation, and to that extent the responsibility of the Division Director is shared, though I think those familiar with the methods of reaching decisions of this sort will agree that the man in charge of the statistics on supply and demand can have an influence on the result disproportionate to his civil-service grade. It is also possible that the sales and earnings of Reynolds Metals would have increased just as fast even if the decision had been to go ahead with the third round expansion in the aluminum industry.

The fact remains, however, that this decision seems to have hurt small business and the defense effort, and Reynolds has not been hurt.

This situation is undesirable—undesirable for the man from Reynolds Metals, undesirabie for Reynolds Metals, and particularly undesirable for small business and the stockpile.

These same men can come here as consultants, or as members of industry advisory committees, to give the Government the benefit of their experience and knowledge of industrial problems. Or, like Mr. Wiison, they can sever their reiations with their companies and subject themseives to the conflict of interest statutes.

I am glad when such men can sever their connections with private industry like Mr. Wilson, though even he has not escaped all criticism or suspicion of some vestiges of sentimental affection for his old friends. And I am willing enough under present circumstances to have them come as consultants or advisers, with full-time salaried employees—subject to the conflict of interest laws—making the decision, though I note that conflict of interest probiems arise in the Budget Bureau over the use of even consultants. Mr. Wenzell's roie in Dixon-Yates contract.)

The present cold war situation may last for 10 or 20 years or even longer. Over this long period, the Government should not have to reply on these industry-paid employees. The ime has now come to return to the normal practices of government, and to terminate these exceptions to the criminal laws of the United States.

Before closing, Mr. President, I want to discuss a subject that is not applicable just to the bill before the Senate, but which is really the basic problem that we are dealing with in this situation. At some future date I intend to devote a considerable amount of time to disccussing the problem that I would only touch upon now. That problem is whether or not the Congress of the Unitcd States, the peopie of the United States, will face up to the fact that it is in the public interest to havc an adequate and competent professional staff available to the Congress and to the executive branch of the Government. The fact that we have to go to industry for the services of men with special technical competence cannot ever be completely avoided in situations of national emergency. But in the course of what we call normal times, it seems to me that the best interests of the United States will be served by providing the funds with which we can hire the career people able to handle these problems. In peacetime they can do almost all the job by themselves, and in times of emergency they can serve as the supervisors of individuals brought in on a temporary basis because of need.

Let us examine this issue from the view of the career public servant. One of the chief incentives, if not the central incentive, that spurs a career employee into doing his best possible work is the fact that if he shows ability that he will be promoted. Now suppose yourself as a career servant of some 20 years' service, with the degree of skill gained in 20 years of service, suddeniy confronted with the situation of a rank outsider being brought in and placed in the very supervisory position that you felt your service qualified you for. What would it do to your morale? I think the answer is fairly obvious and the issue does not have to be dwelt upon. If the position is so important to the public interest that we must have a special individual to man it, then it warrants our providing a full-time salaried Government employee to fiil it. The price of good pubiic service is always worth what we pay for it. A few thousand dollars more invested in one position or another may well return millions of doiiars to the Government that would have been lost because of incompetent administration.

This whole matter of bringing w. o. c.'s, of whom a preponderance are businessmen, into Government raises another issue that we have to face, as I see it. The businessman, the farmer, the worker, the consumer—all of us—have a right to the type of Government that represents ali our interests. This collectivity of interests we cali "the public interest." It is a shorthand term for balance of conflicting interests. The role of our Government has traditionaily been that of the balance wheel. The function of our Government, according to the thinking of our Founding Fathers, was to serve as an umpire in the conflicts between various factions. As the occasion may warrant, the Government, through regulation or providing certain services, should seek to offset the strength of one faction or another that has gained a position which makes it possible for that faction to deny the rights of other groups.

It is not a proper function of the Government to aliy itself with one camp or another.

I fear that today we have an administration which has forgotten these thoughts that I have just expressed. It prides itself upon being a businessman's administration.

Without discussing the fallacy of the assumption that what is proper in business is proper in Government, and that a successful businessman can be a successful public servant, I want to bring this concept of an administration oriented toward business to bear upon this w. o. c. problem that we are discussing today.

It is but a truism that we all see the world through our own eyes—and I mean eyes in the broad philosophical, psychoiogical sense. That is, we all have our point of view. This is the very danger of the w. o. c. program. A perfectly honest man connected with business or with a labor union or with any other economic group does, of necessity, see the problems he faces with a view influenced by the background of the interest he represents. He is part of that interest. I think that this is too obvious to bear further discussion. And this is why it is dangerous to have the public interest represented by men who are not public servants in the true sense, regardless of what their nongovernmental connection might be.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana. On this question the yeas and nays have been ordered.

Mr. FREAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] on page 7, begining in line 25. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

On this vote the Senator from Texas [Mr. JOHNSON] is paired with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Nevada would vote "yea."

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. SALTONSTALL. I announce that

the Senator from Kansas [Mr. SCHOEPPEL] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business, and is paired, on this vote, with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea," and the Senator from Texas [Mr. JOHNSON] would vote "nay."

The result was announced—yeas 46, nays 45, as follows:

YEAS—46

Aiken	Curtis	Millikin
Allott	Dirksen	Mundt
Barrett	Duff	Payne
Beall	Dworshak	Potter
Bender	Flanders	Purtell
Bennett	Goldwater	Robertson
Bricker	Hickenlooper	Saltonstall
Bridges	Hruska	Smith, Maine
Bush	Ives	Smith, N. J.
Butler	Jenner	Thye
Byrd	Knowland	Watkins
Capehart	Kuchel	Welker
Carlson	Langer	Wiley
Case, N. J.	Martin, Iowa	Young
Case, S. Dak.	Martin, Pa.	
Cotton	McCarthy	

NAYS—45

Anderson	Hayden	McNamara
Barkley	Hennings	Monroney
Bible	Hill	Morse
Chavez	Holland	Murray
Clements	Humphrey	Neely
Daniel	Jackson	Neuberger
Douglas	Johnston, S. C.	O'Mahoney
Eastland	Kefauver	Pastore
Ellender	Kerr	Russell
Ervin	Kilgore	Scott
Frear	Lehman	Sparkman
Fulbright	Long	Stennis
George	Magnuson	Symington
Gore	Mansfield	Thurmond
Green	McClellan	Williams

NOT VOTING—5

Johnson, Tex.	Malone	Smathers
Kennedy	Schoeppel	

So Mr. CAPEHART's amendment was agreed to.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD the statement made by Mr. Howard I. Young, president of the American Zinc, Lead, and Smelting Co., before the Joint Committee on Defense Production on July 14, 1955, together with supplementary material submitted by Mr. Young.

There being no objection, the statement and material were ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION OF THE CONGRESS OF THE UNITED STATES, JULY 14, 1955, BY HOWARD I. YOUNG

First, let me express my sincere appreciation to the committee for affording this opportunity to appear in executive session.

I, of course, have been extremely concerned regarding the extensive newspaper publicity respecting certain reports concerning my activitles while in Government service from September 1951 to May 1953. As the committee knows, these reports, in effect, question my integrity and good faith while functioning in the public service. I was, indeed, quite astonished to read in the press that the Comptroller General had found that "there appear to be established certain 'conflicts of interest'" on my part while serving as Deputy Administrator of the Defense Materials Procurement Agency (DMPA) without compensation. These conflicts of interest are alleged to arise by reason of the fact that the American Zinc, Lead, and Smelting Co., of which I am president, was alleged "to be beneficially interested in the program of * * * three companies," who were awarded DMPA contracts while I was Deputy Administrator.

Gentlemen, I have now been in business in the United States for some 47 years ago tomorrow. I began many years ago in the capacity of a clerk with the company I now head. During these many years I have been honored with important assignments and responsibility in my company, my industry, and my Government; and through all these years I have never sought to conduct myself otherwise than honestly and honorably.

I tell you this in all humility merely to emphasize the indisputable fact that never before has any responsible person, whether in public or private capacity, called me a criminal nor, indeed, so much as implied that I might be one. Nor has it ever been suggested to my knowledge that I would do an unethical act. The members of the committee, I am sure, will pardon the human frailty which uncontrollably prompts my deep resentment over the recent allegations against my good name.

As a businessman primarily but also as a former Government official, I am unable to fully appreciate the justification for an investigation and report on my actions as a Government official without any contact whatsoever of me, either by the investigators involved or the responsible officials who presumably have approved and published the reports concerning me to this committee, to a number of other committees of Congress, and who have certified these reports to the Department of Justice. Nor can there be any question of my availability, for I am as of today special consultant to the General Services Administrator. I think that this committee and the American public will ultimately agree that I had much in the way of information, facts, and data to contribute to the accuracy and impartiality of such a report—if, indeed, accuracy and impartiality was intended by them.

It was not until the CONGRESSIONAL RECORD for July 11 became available July 12 that I had any information as to the basis of the Comptroller General's charges against me. And this information, available to me—the party charged with wrongdoing—only as a result of publication in the CONGRESSIONAL RECORD appear to be only a portion of the full report on my actions. Properly refuting the charges against me is thus most difficult, because I don't know all of the alleged facts and purported evidence on which they are based. This, coupled with failure of the Comptroller General to consult with me at all, violates, I believe, fundamental principles of fair play to which all citizens should be entitled. For these reasons I am especially grateful to this committee for affording me this opportunity to be heard and to present to you and to the public all of the facts on these matters of which I have knowledge.

Please do not misunderstand me. I want this committee, the American people, the Justice Department, and all others interested to be fully informed respecting all facts bearing on this situation of which I have knowledge. I assure you that since this situation became known to me for the first time last Friday when a newspaper reporter requested my views of the charges, of which I then had no knowledge, I have been bending every effort to insure receipt by this committee of full and complete information. While it is my judgment that I could be of maximum possible assistance to this committee if I knew the charges against me and the purported evidence upon which they are based, and was afforded full opportunity to refute them, we will do everything possible to satisfy the committee's requirements despite its refusal to disclose the charges to me. And as a consequence I'm sure the committee will understand why, under the circumstances, it may not be possible for me to furnish today all the information and documents in which the committee may be interested. But I assure the committee I will undertake to do so at the earliest possible date.

FULL DISCLOSURE ON ASSUMPTION OF GOVERNMENT POST

When I agreed to become Deputy Administrator of the Defense Materials Procurement Agency, I made a full disclosure to the Administrator as to my corporate connections. I submit herewith copy of my letter dated September 10, 1951, to the Honorable Jess Larson for the record of the committee. As you will observe, in this letter I pointed out that I was president, director, and member of the executive committee of the American Zinc, Lead, and Smelting Co. and each of its wholly owned subsidiaries which are listed. I also pointed out that since I would serve the Government without compensation, I would expect to continue to receive compensation from my private employers as listed.

I also listed six companies in which I am a director and small stockholder, and pointed out that as to these companies my compensation consisted only of directors' fees. I also attached a list of the companies in which I owned shares of stock. I further attached a list of organizations in which I was an officer or director, but served without compensation, such as the American Mining Congress, the Southern States Industrial Council, the American Zinc Institute, the St. Louis Chamber of Commerce, Manufacturing Chemists Association, American Tariff Association, and others.

In this same letter I also stated:

"I will not take part in the consideration of or action on any application filed under the Defense Production Act by any company with which I am connected."

I have done my level best to keep this commitment and believe that I have succeeded in keeping it.

I also stated at that time:

"I would like to make it clear that I will make no recommendation about nor participate in the consideration or negotiation of any such application filed by any person or organization, as mentioned above."

I have done my level best to keep this commitment and believe that I have succeeded in keeping it.

It is my understanding from Mr. Larson that he filed a copy of the above letter with every Government agency and congressional committee that he thought was interested. These included, I understand, the Office of Defense Mobilization, the Civil Service Commission, the Government Operations Committee of both Houses, the Interior Committee of both Houses of Congress, and with this Joint Committee on Defense Production. Mr. Larson also formally advised the Director of the Federal Register of my appointment and therein listed my employers and directorates. A copy of this notification is submitted for the committee record.

There was, therefore, the fullest possible disclosure of my directorships, of my stockholdings and of the industrial organizations or trade associations of which I was an officer or director.

My directors were reluctant to have me once again relinquish my executive responsibilities to the companies of which I am president to once again serve the Government, for during World War II, I had also served the Government in the capacity of Director, Mineral Resources Coordinating Division; Director, Mineral and Metals Division, WPB; and Deputy Vice Chairman, Minerals and Metals Division, WPB. I also had been Chairman, Zinc, Lead, and Cadmium Advisory Committee to the Munitions Board. My directors ultimately agreed, however, to permit me "to give such time as may be required to serve as Deputy Administrator of the Defense Materials Procurement Agency, with the understanding that he

will not relinquish all of his duties as president and director of this corporation and its subsidiaries."

A copy of the minutes of the meeting of the board of directors of the American Zinc, Lead & Smelting Co., held in New York City, September 18, 1951, reflecting this action is submitted herewith for record of the committee.

It will be observed that there is also incorporated into the minutes above referred to the reply dated September 13, 1951, of Mr. Jess Larson to my letter to him of September 10. Therein Mr. Larson states:

"I will not embarrass you by asking you to participate or make any decisions in connection with any negotiations that have to do with any of the companies in which you are interested."

MR. LARSON FULFILLED THIS COMMITMENT IN EVERY RESPECT

Nor can I say that L wasn't warned that I might find myself in the present situation, for a further passage of Mr. Larson's letter of September 10, 1951, borders upon the prophetic in light of the circumstances which brings me here today. He said:

"As I have told you in urging you to come into Government and assist me in administering this new agency, misguided people will read into our actions selfish and ulterior motives in spite of everything we can do. This is unfortunate and is the reason it is difficult to get men of your experience to make such a sacrifice."

I should further explain that upon my resumption of Government service I effected reassignments of my executive responsibilities to other subordinate executives in the management of American Zinc, Lead & Smelting Co. and subsidiary companies. This included the delegation to my son, Richard A. Young, then a corporate vice president in charge of ore purchases at our plant at Dumas, Tex., of complete and sole responsibility for the operations of the ore purchases division of our company and subsidiaries. My assumption of Government service was not the only reason for this step. Such delegation in ordinary circumstances would have been extended to Mr. A. E. Stanton, who at the time was a senior vice president, generally responsible to me for ore and metal purchases. Mr. Stanton, however, was not well and, after a lengthy sickness, passed away on June 10, 1952. It was under these circumstances that Vice President R. A. Young assumed sole responsibility for all corporate actions in the field of ore purchases of American Zinc, Lead & Smelting Co. and subsidiaries. At this time Howard Lee Young was in full charge of metal sales.

My purpose in thus realining executive responsibilities within my own company was not only to make possible my Government service, but also to insure that other officials of my company than I would handle company matters with the Government. And when they had occasion to do so as to DMPA, I, pursuant to the arrangement I had insisted upon with Mr. Larson, would consider myself disqualified.

NATURE OF MY DMPA AUTHORITY AND RESPONSIBILITY

It is appropriate for the committee to keep in mind, I think, that my Government position from September 1951 to May 1953 was that of Deputy Administrator of the Defense Materials Procurement Agency. As such, my authority and responsibility was definitely limited. While it is true that I had general authority to act for the Administrator (except as to matters involving those companies as to which I had advised the Administrator I would not act) the DMPA itself was subject to numerous authority restrictions. Thus, for example, DMPA was entirely dependent upon the Defense Procurement Administrator, and later the Director of the Office of Defense Mobilization, for broad policy-program determinations. This was particularly true as to all mineral programs, including the zinc procurement program.

Under Executive Order 10281, signed by President Truman on August 28, 1951, certain functions were conferred upon the Defense Materials Procurement Administrator. These functions such as (1) the purchasing and commitments to purchase minerals and metals for Government use or resale, (2) the encouragement of exploration, development and mining of critical and strategic metals, and (3) subsidy payments and the installation of additional equipment facilities or improvements to plants, factories, and other industrial facilities, were limited and restricted by section 307 of the aforementioned executive order which read as follows:

"SEC. 307. The functions conferred upon the Defense Materials Procurement Administrator by sections 303 to 306, inclusive, of this executive order, shall be carried out in accordance with programs certified to the said Administrator by the Defense Production Administrator."

Said executive order further provided that—

"SEC. 308. All functions provided for in sections 303 to 306, inclusive, of this executive order shall be carried out within such amounts of funds as may be made available pursuant to the Defense Production Act of 1950, as amended."

Accordingly, it was necessary for DMPA to have express DPA (later ODM) approval for each of its expansion programs whether or not it be for the purchase of metals or minerals; the encouragement of exploration, development and mining of critical and strategic metals; subsidy payments; or the installation of additional equipment facilities, processes, or improvements in Government-owned equipment in private facilities. Further, it was necessary for DMPA to have the express Bureau of the Budget approval for each of the aforementioned programs, since the Bureau had the responsibility of allocating the necessary funds made available under the Defense Production Act. This was true, for example, of the programs under which the contracts of primary interest to the committee were awarded.

I do not point out the limitations on DMPA authority for the purpose of shirking responsibility wtih respect to these three contracts. On the contrary, I stand shoulder to shoulder with Mr. Larson who but for my protest would assume full and entire responsibility for them.

If I were again in the Government confronted by the necessity for decisions on the same facts, I would not decide otherwise. I believe those decisions were sound when made and that they are sound now. Indeed, if I may be pardoned for saying so, I believe that developments subsequent to the dates of our decisions respecting the implementation of zinc expansion programs have more than justified their soundness.

THE NECESSITY FOR EXPANDING DOMESTIC ZINC PRODUCTION DURING 1951 TO 1953

The first item to which the committee counsel has requested me to testify is "as to the necessity to expand zinc production to the event such expansion was carried out from 1951 to 1953, or for the payment of subsidies."

This is a most important matter on which I have decidedly pronounced views. My views on this subject are a matter of public record in numerous places, not all of which I have been able to assemble for purposes of this hearing. They may be found, however, in speeches, press releases, congressional testimony, official Government reports, and internal governmental reports and recommendations. In a word, it has been my conviction for many years that—

1. So long as a prospect of war exists our governmental policy should be devoted to expanding domestic metals production to the fullest possible extent in order to make this country and this hemisphere not dependent upon foreign sources of supply for strategic and critical metals; and

2. I abhor Government subsidies to the mining industry, primarily because of the inevitable Government control and regulation which they necessarily entail.

In considering the necessity for expansion in domestic zinc production during the period 1951 to 1953, it is important for the committee to have in mind the particular facts as they existed at that time. This, however, is not a suggestion to obviate argument predicated upon hindsight in this instance because even when judged by hindsight full and complete justification for expanding domestic sources of zinc ores and concentrates during the period 1951 to 1953 is very clear.

The supply of zinc both from the standpoint of concentrates for the smelting plants and from the standpoint of stocks of metal in the hands of the smelters during the year had reached a critical situation. The stock of slab zinc at the end of 1950 was less than 4 days production, and by the end of 1951 had only been increased to the equivalent of approximately 9 days. The exports of slab zinc from United States smelters in 1951 had increased by 24,000 tons over 1950 and the stocks of available zinc for Government account had been reduced by 89,000 tons below 1950 shipments for stockpiling account.

The imports of slab zinc into the United States from foreign countries were 42 percent below the year 1950. This was primarily on account of the OPS ceiling price being substantially below the foreign price; so that large quantities of slab zinc that had been normally imported into the United States from Mexico, Canada, Belgium, Italy, Norway, and Peru went into the foreign field where prices were much above the OPS ceiling price. The concentrate imports from foreign countries into the United States during 1951 were approximately 10 percent above 1950.

Some smelters had even with this increase of foreign supplies of concentrates found it necessary to reduce their output on account of the scarcity of available zinc concentrates for smelting. At the close of 1951 the price of foreign zinc based on "London Ministry of Supply" delivery Pittsburgh, was approximately 25.66 cents per pound and in March 1952, this had been reduced to 24.96 cents per pound. This price compared with United States prime western price at Pittsburgh at approximately 20 cents per pound.

Inasmuch as I had for several years served as chairman of the Munitions Board Industry Advisory Committee on Zinc and Lead, I was familiar with the stockpile objectives as announced by the chairman of the Munitions Board. We had been informed of the stockpile objectives and the necessity for producing every ton possible for that purpose. On account of the extreme shortage of zinc that existed in 1950 and 1951, the defense authorities had requested a careful survey of stockpile objectives by competent advisors and the objective had been substantially reduced. This reduction, I understood, was primarily on account of the shortage of the probable supply over the nearby years and to make available more of the current production for domestic uses.

Consequently, when I became deputy administrator in the latter part of 1951, I felt then as I do now that the zinc supply was extremely serious when you looked at it against the policy of supplying not only the mobilization effort, but keeping the national economy going at the highest possible level as well. However, I might observe in passing

that all of the background on which my program thinking was based may not have been understood by those within DMPA who are quoted in the CONGRESSIONAL RECORD as disagreeing with me.

Therefore, in the latter part of 1951 and early 1952 the Defense Material Procurement Agency submitted to the DPA its program for expansion. It was emphasized in such a program that it would be the policy of DMPA to obtain zinc primarily from North American sources and from producers capable of supplying zinc at an early stage. As a result of this recommendation DPA independently on January 3, 1952, issued its expansion program order authorizing the expansion goal for the program of 1,320,000 tons of zinc production capacity, thereby increasing the American capacity by 242,000 tons. Evidently, those in DPA having the approval of the expansion program of minerals and metals agreed with the proposal submitted by DMPA and authorized the above-mentioned expansion.

The domestic price remained at 19½ cents per pound until the start of the steel strike in June 1952, at which time it was reduced to 17½ cents per pound on June 2, and 16 cents on June 5, and 15 cents on June 18. This drop was primarily on account of the steel strike, which industry is the largest individual consumer of slab zinc. The steel strike lasted for a period of approximately 60 days, and during this period the stocks of slab zinc in the hands of smelters was increased by approximately 64,000 tons, or the equivalent of approximately 35 days' production. At the end of 1952 the stock in the hands of the smelters stood at 37,000 tons, which was 65,000 tons above the stock at the end of 1951. In view of the responsibility of DMPA to provide adequate metals and minerals, with which program it was charged, the organization kept under continuous review the programs involving all of the important metals and minerals being produced either in the United States of America or foreign countries and the development of new mines in the United States. This involved not only zinc but also copper, iron ore, magnesium, fluorspar, and many other minerals and metals of importance to our defense needs and domestic economy.

It has been stated that during my tenure of office as Deputy Administrator of DMPA, I gave various reasons to justify the zinc-expansion program. It is said that in the early stages—late 1951 and 1952—I placed emphasis on the needs for defense production and civilian requirements when the market broke in the spring of 1952—prices declined some 19.5 to 15 cents—and the defense and civilian requirements had been met, expansion and maintenance of production was justified on the basis of hardship. Gentlemen, I say to you that my thinking in the matter has not changed, that the situation concerning zinc was not static, it was fluid, and because of the aforementioned changes various programs were necessitated. I think my recommendations were justified that the preservation of our domestic-mining industry was and still is of vital interest to this Nation, both from the standpoint of national defense and of civilian economy. In June 1953, some time after DMPA made the so-called various recommendations, a congressional committee, to wit, the Select Committee for the House of Representatives of Small Business, after making a complete study of the zinc and lead situation in this country, stated in its report (H. Rept. 688, dated June 1953, 83d Cong., 1st sess.) that,

"Some spokesmen within and without Government suggests that the present depressed price situation which prevails in the lead and zinc mining industry will be correct when the so-called marginal or high-cost producers are eliminated. * * *

"Such reasoning cannot be supported by the Select Committee on Small Business for it is the sound conviction of this committee that not merely the present but the future welfare of our great Nation must be carefully considered and unless we are determined to become a have-not Nation mineralwise, in fact as well as in theory, we must adopt policies both national and international in scope which will encourage the exploration, development, and production of minerals within our borders lest we become totally dependent in the future on foreign sources for our supplies of minerals."

The provisions of the DPA today being considered in the Senate will add a new provision to the declaration of policy under which we acted in 1951, in that it recognizes that the present international situation "also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the level needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States."

We just cannot accomplish any expansion program without governmental assistance in one form or another to so-called marginal producers. This is particularly true as to the zinc industry for it is a recognized fact that in the lead and zinc industry, we are dependent on both large and small producers (and Congress has established important responsibilities of the Government as to small business) for regular commercial and mobilization needs in these metals.

Now it is, of course, true and a matter of record that the price of zinc fell off in 1952 and 1953. This fact, however, did not tend to have and does not now have any bearing whatsoever upon the necessity for governmental inducements to encourage zinc production. On the contrary, it increases such necessity. When the commercial market price of supply zinc falls below the point of profitable return to the marginal producer—if the Government is dedicated to a policy of expanded productive capacity—the marginal producer may need, and I feel he is entitled to, governmental assistance in financing, floor price purchase agreements, etc.

AMERICAN ZINC AGREEMENTS WITH DMPA CONTRACTORS

The committee counsel's letter indicates that the committee is interested in securing information as to any agreement entered into between DMPA and companies having separate agreements with the American Zinc, Lead, and Smelting Co., the American Zinc Co. of Illinois, or any other company in which Mr. Young was financially interested. Three specific Government contractors in this category were mentioned. They are Mid-Continent Mining Corp., the MacArthur Mining Co., Inc., and W. M. & W. Mining Co., Inc.

First, let me state that I personally have absolutely no financial interest of any kind in any of these three companies.

Secondly, because I have not been provided with full information as to which of my actions have been questioned, I have had to speculate as to the phases of my conduct in connection with the DMPA contracts of these companies which has been brought into question. I, of course, recall the DMPA contracts and the circumstances attendant upon them very clearly.

These three contracts have the following elements in common:

1. All three contractors are marginal or high-cost producers.

2. All three contractors provided possibility of potential additional zinc production capacity.

3. All three contractors needed Government assistance in order to achieves or continue zinc production.

4. All three contractors had rights to all deposits but no smelting capacity for refining the metals, and

5. All three contractors effected zinc concentrate purchase contracts with American Zinc—in the one case (W. M. & W.) I made the contract for American Zinc but prior to my Government appointment and in the other two cases the contracts were made by our Vice President, Richard A. Young.

Since the zinc concentrate purchase agreements of these DMPA contractors with American Zinc or affiliated companies appear to provide a focal point of this committee's interest, I will deal with this subject in some detail.

ZINC CONCENTRATE PURCHASE CONTRACTS

The processes by which zinc in its natural state of deposit in the earth is reduced to usable metal involves for present purposes three major processing steps. These are:

1. Extraction of the ore from its natural deposit through mining.

2. Concentrating the metal content of the ore (which is of low, e. g., 2 percent to 5 percent) into so-called concentrates in which the proportion of metal in the material is increased to 48 percent to 60 percent zinc with 30 percent sulfur.

3. The concentrates must first be roasted to eliminate the sulfur and on account of the then sulfur shortage, it was highly desirable to treat all concentrates to get the sulfur for defense purposes. Then the roasted concentrate is converted to slab zinc metal by either a fire or electrolytic process. This produces a finished product which assays 98 percent to 99.99 percent zinc.

Whereas there are a relatively large number of producers of lead and zinc ores in the United States (approximately 900 in 1951, 800 in 1952, and 725 in 1953), the number of smelters for these minerals is decidedly limited. I submit for the committee record a list of primary zinc distillers, indicating those which are capable of producing the high grade, or electrolytic zinc which was required by Government stockpile purchase specifications.

It is immediately apparent from this tabulation that primary zinc smelting capacity for processing zinc concentrates is very limited as to number of smelters. But this becomes more critical as to those smelters capable of refining zinc concentrates to the degree of quality required in Government specifications—the electrolytic smelters—and this tabulation shows also the widespread locations of these available smelters.

It will also be observed that American Zinc operates and has operated since 1943 1 of the 5 smelters which are capable through electrolytic processes to refine zinc concentrates to Government specifications for munitions. The St. Joseph electrothermic plant and the two vertical-retort plants of New Jersey Zinc could also have produced the same grade of metal.

Since 1905, American Zinc has been one of the large buyers of zinc concentrates in the so-called Tri-State District, which consists of adjacent portions of Kansas, Missouri, and Oklahoma. There is attached hereto a statement of Tri-State District zinc concentrate production showing percentage produced and purchased by American Zinc Co. It will be observed that for these 17 years, our purchases and company production from our own mines of the total zinc concentrates produced in the Tri-State District ranged from 17 to 44 percent and averaged over this long period 21.81 percent.

PERCENTAGE OF SMELTING BUSINESS FROM DMPA CONTRACTORS

The committee counsel has requested information as to the percentage of smelting (or other business) which the American Zinc, Lead & Smelting Co. or subsidiaries received in the ordinary course of business as distinguished from the percentage received from companies which entered into contracts with DMPA from 1951 to 1953.

There is attached hereto a tabulation en-

titled "statement showing total tonnage of concentrates treated by American Zinc and subsidiaries and percent supplied from DMPA contracts whether of American Zinc Co. or purchased from DMPA contractors," which provides this information.

It will be observed that American Zinc and subsidiary companies received only the following percentages of zinc concentrates from DMPA contractors:

	DMPA contractors including American zinc (percent)	DMPA contractors excluding American zinc (percent)
1952	2.33	0.77
1953	4.61	.77
1954	3.47	
Total	1.75	.36

Thus, when the DMPA contracts of American Zinc itself are excluded, the percentage of smelting business received by American Zinc during this 3-year period was only thiry-six one hundredths of 1 percent of our total smelting business.

NO BENEFIT FROM ZINC CONCENTRATE PURCHASE CONTRACTS

The core of the charge made against me insofar as zinc concentrate purcase contracts of our companies are concerned, appears to be that by utilizing the position of Deputy Administrator of DMPA I benefited my company through its acquisition of zinc concentrate purchase agreements from DMPA contractors.

I earnestly and sincerely deny that such was the case nor that such was my purpose or intention in any respect while in Government service. And I earnestly submit that the record does not support such a conclusion for reasons which include the following:

1. As pointed out above, upon entering the Government service I made a full and complete disciosure of all companies from which I received compensation, all companies of which I was an officer or director and all organizations of which I was an officer or a director. The three contractors involved were not included in the lists involved in that disclosure, for I have, of course, no financial interest in them. And specifically I arranged for other executives than myself to handle all American Zinc concentrate purhases.

2. DMPA records should reveal that at no time was there a failure to disclose that the concentrates of the DMPA contractors would be processed by American Zinc. On the contrary, there was a full formal and official disclosure of this fact at all times.

3. No financial advantage accrued to American Zinc by reason of its processing of zinc concentrates of these three companies. This is so because under the historical practice of the smelting industry a custom smelter, such as American Zinc, realizes only "toll" (or processing) charges and the value of by-products recovered from processing concentrates. Any price advantage available as to slab zinc when smelted is passed back to the producer by the terms of the concentrate purchase contract. This was true as to contracts here involved, including any price advantage to the producer resulting from a Government guaranteed price to him.

4. Actually, in agreeing to accept the concentrates of these producers and to supply the metal to the Government under the given contract conditions, American Zinc would be forced to curtail its regular commercial business. This is so beause its smelters were operating at capacity and to divert capacity to the processing of concentrates of the DMPA contractors would require rejetion of the concentrates of our reguiar commercial customers.

5. During the period involved, American Zinc smelters were operating at capacity without DMPA contractor concentrates. We did not need DMPA contractors as a source of supply or "feed" of concentrates.

6. The total zinc concentrates which would have been yieided by these 3 contracts, if fully performed, range from a low of 3,000 tons for 1952 to 7,700 tons for 1954. American Zinc smeiters processed from a low of 333,000 tons to a high of 343,500 tons. The concentrates yielded by these three contracts would have, therefore, ranged from a low of .78 percent to a high of 2.72 percent of our production.

In other words, whereas American Zinc was treating approximately 27,500 tons per month, these contracts would have added but a maximum average of 650 tons per month.

Not only do the American Zinc concentrate purchases from DMPA contractors yield no benefit—but rather a disadvantage—to American Zinc. But if zinc concentrates produced by DMPA contractors were excluded from American Zinc smeiters, such action would be to the financial disadvantage of the United States. This is so because:

The only other smelters capable of producing high quality zinc are located in Texas, northern Illinois, Pennsylvania, New Jersey, Idaho, and Montana. Shipping tri-state (where the contractors' mines were) concentrates to these locations would not only involve increased Government costs for freight but would also result in higher per pound or per ton of prices of the finished metal. And when refined, the finished metal would have to be again shipped substantial distances to the delivery point.

To have required these small marginal producers to ship their concentrates to any other smelter would have been further penaiizing them and would have required even greater Government assistance to them.

The act under which we operated required us to encourage small business concerns to make the greatest possible contribution to the objectives of the act. Furthermore, the Administrator has informed me that at the time of our work together he was not only aware of these arrangements for shipping concentrates to the nearest smelter with appropriate refining facilities, but that he insisted that such a procedure be foliowed. He further recalls to me that in the case of the Mid-Continent contract he personally suggested such an arrangement.

AMERICAN ZINC LOANS TO ZINC PRODUCERS

As is quite customary in the mining and smelting industry, American Zinc for years has followed the practice of making funds avaiiable to producers of satisfactory potentiai which take the form of a loan or advance against and repayable out of future production.

In making advance loans of this nature, the smeiter operator realizes that its repayment is entirely dependent upon the ability of the producer to show an operating profit. The producer's ability to show a profit in turn is most importantly influenced by the market price for which the resulting zinc metal can be sold. When the market is high, the producer will show a profit and will be able to repay on his loan. When the market is low, he will make little or no profit and will be unable to make loan payments.

This then is the practical industrial framework in which advances are made to producers by smelters. This is also the identical framework in which American Zinc made advance loan commitments to 2 of the 3 DMPA contractors in which the committee is primarily interested. This has been a custom of the trade since the first custom smeiter was operated.

In the case of Mid-Continent, my son Richard A. Young as vice president of the American Zinc Company of Illinois on the date of July 21, 1952 agreed to advance $75,000 to be used for capital investment or working capital after Mid-Continent had fully expended for capital investment the $325,000 received from the Government. Mr. Larson, who had assumed primary responsibility for the negotiations of this contract, added his approval of this arrangement early in the negotiations leading to the contract which he signed. This is formally reflected and confirmed by amendment No. 1 to this contract which he also signed. American Zinc did not make this advance to Mid-Continent.

In the case of W. M. & W., I personaiiy arranged for advances totaling $70,000. My negotiations as to these advances began on December 12, 1950 long before my Government service and were completed prior to this company's application to DMPA for Government assistance. $34,000 of this amount is still unpaid and doubtless will remain unpaid until this company can operate at a profit.

ALLEGED SALE OF EQUIPMENT BY AMERICAN ZINC TO MID-CONTINENT

The committee counsel has requested information respecting equipment apparently alieged to have been sold to Mid-Continent Mining Corp. by American Zinc or one of its subsidiary corporations. I am advised that our company has no record of any such transaction. Under date of July 12, 1955 my assistant treasurer advised:

"As requested I checked through the St. Louis office cash books and through the Joplin office remittance reports and find that we did not receive any money for equipment sold during the period March 1952 through December 1953 from any of the foliowing companies: W. M. & W. Mining Co., MacArthur Mining Co., Mid-Continent Mining Co.

The Joplin office did receive $900 on April 28, 1952, from the W. M. & W. Mining Co. covering a 200-horsepower motor which Harold Michel telis me was sold to them by the Nellie B. Mining Co. in 1951.

PARTIAL LIST OF ERRONEOUS OR MISLEADING STATEMENTS BY THE COMPTROLLER GENERAL

Since the detailed evidence upon which the Comptroller General's charges are based became available in the CONGRESSIONAL RECORD only 2 days ago when I was in attendance at a stockholder's meeting at Portland, Maine, the committee will, of course, recognize that I have not had adequate time to study the voluminous data and records of 3 or 4 years ago. My initial review of this material, however, has satisfied me that it contains numerous erroneous statements of fact or statements providing misleading and unfavorable implications as to me. Not all of these are reflected in the body of this statement. There is submitted herewith for the committee's record a partial list of such statements. I have every reason to beiieve that upon more thorough examination and study, this list can be enlarged. I request full opportunity to do so and again request that in order that I might do so, copies of the Comptroller General's reports be made avaiiable to me.

Since the nature of CONGRESSIONAL RECORD material indicates that Government investigators may have spent at least a year and considerable Government funds to effect its extensively documented compilation, I also request that we be accorded at least 45 days, and preferably 60 days within which to prepare and file our detailed refutation. I am also prepared to secure and offer to the committee the certification of our certified public accountants, Price, Waterhouse & Co., as to any facts or figures desired from our company books and records covering the years here in question.

CONCLUSION

I earnestly beseech the committee to consider its future course and particularly its conclusions on this matter with unusual care and caution. It appears fashionable these days to attack businessmen in Government. This concerns me not so much for myself—for my days of private and public service are nearing their end—but it does seriously concern me from the point of view of the welfare of our Government, our country, and the people. For I am definitely satisfied that the Government needs experienced and competent men from industry and business. They should not be encouraged to believe, as Mr. Larson forecasted in my case, that coming to Washington necessarily invoives a risk of personal attack on their honesty, integrity, and their very personal welfare.

I am also 100 percent satisfied if these charges against me can, by even the widest application of reason, be considered to be supportable in the sense that I have ever, at any time, knowingly performed an illegal or unethical act, that no businessman in Government will be able to hereafter consider himself immune from this type of personal persecution. Again I wish to express my sincere appreciation for permitting me to appear before your committee.

I now welcome submitting to the committee's questioning.

ATTACHMENT A

The Honorable JESS LARSON,
Administrator, Defense Materials Procurement Administration,
Washington, D. C.

DEAR MR. LARSON: You have asked me to become your deputy administrator of the Defense Materials Procurement Administration, and I have consented to serve. Before assuming the duties of that office, I would like to state that as I will serve the Government without compensation, I shall expect to continue to receive compensation from the private employers listed below, and that as a Government official, I will take no part in the consideration of or action on any application filed under the Defense Production Act by any company with which I am connected.

I am now president, a director, and a member of the executive committee of the American Zinc, Lead, and Smelting Co., and each of its wholly owned subsidiaries and affiliate companies, which are as follows: American Zinc Company of Tennessee, American Limestone Co., American Zinc Oxide Co., American Zinc Sales Co., American Zinc Company of Illinois, American Zinc Company of Arkansas, American Zinc Company of Oklahoma, Watauga Stone Co., Wisconsin Zinc Co., Aravalpa Leasing Co.

The address of the foregoing companies is 1600 Paul Brown Building, St. Louis, Mo.

I am a director and a small stockholder in the following companies: Baltimore & Ohio Railroad Co., General American Life Insurance Co., Mercantile Trust Co., Southwestern Bell Telephone Co., Scullin Steel Co., Minerals Beneficiation, Inc.

My compensation from the foregoing listed companies consists only of directors' fees.

I shall expect the present compensation from the above to continue during my Government service.

A list of the companies in which I have a stock ownership is attached.

Also attached is a list of the organizations in which I am an officer or director and serve without compensation.

As you know, some of the companies with which I am connected have filed applications with the Government under the Defense Production Act. Some of these applications require approval by DPMA. I had hoped all of these applications would be acted on prior to my becoming your deputy, but this now appears improbable. Accordingly, I would like to make it clear that I will make no recommendation about nor participate in the consideration or negotiation of any such application filed by any person or organization as mentioned above.

I hope that I may be of material assistance to you and the Government in carrying out the defense program.

Very truly yours,

———,
President.

SEPTEMBER 13, 1951.

ATTACHMENT B

Mr. HOWARD I. YOUNG,
President, American Zinc Lead & Smelting Co., St. Louis, Mo.

DEAR MR. YOUNG: I am in receipt of your letter of September 10, 1951 wherein you set forth the conditions under which you will serve as my deputy in the Defense Materials Procurement Agency. You also set forth the companies with whom you are now associated in executive, directorship and stockholder capacities.

As I have told you in urging you to come into the Government and assist me in administering this new agency, misguided people will read into our actions selfish and ulterior motives in spite of everything we can do. This is unfortunate and is the reason it is difficult to get men of your experience to make such a sacrifice.

I have talked with you at great length and I find you in complete sympathy with my own objectives and the objectives of this administration in solving this problem of making available raw materials to fulfill our needs for national defense and maintenance of our own free economy. I have found your views and your actions completely unselfish and altogether courageous in keeping this goal constantly before you. I will not embarrass you by asking you to participate or make any decision in connection with any negotiations that have to do with the companies in which you are interested.

Your record during World War II of unselfish and patriotic devotion, speaks for itself. I need you, but more important than that, your country needs you and I feel that both are fortunate in your having accepted my urgent request that you join me in this operation.

Sincerely,

JESS LARSON,
Administrator.

ATTACHMENT C

DEFENSE MATERIALS PROCUREMENT AGENCY,
Washington, D. C., September 21, 1951.

Mr. BERNARD R. KENNEDY,
Director, Division of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D. C.

DEAR MR. KENNEDY: In accordance with the requirements of section 302 of Executive Order 10182, issued November 21, 1950, this will constitute notification of the appointment, effective August 13, 1951, of Mr. Howard I Young as Deputy Administrator of the Defense Materials Procurement Agency, to serve without compensation, pursuant to section 101 (a) of Executive Order 10182.

Mr. Young in private life is employed as the president, director, and a member of the executive committee of the American Zinc, Lead, and Smelting Co. and each of its wholly owned subsidiaries and affiliate companies, which are as follows: American Zinc Company of Tennessee, American Limestone Co., American Zinc Oxide Co., American Zinc Sales Co., American Zinc Company of Illinois, American Zinc Company of Arkansas, American Zinc Company of Oklahoma, Watauga Stone Co., Wisconsin Zinc Co., Aravapia Leasing Co.

He is also a director in the following companies: Baltimore & Ohio Railroad Co., General American Life Insurance Co., Mercantile Trust Co., Southwestern Bell Telephone Co., Scullin Steel Co., Minerals Beneficiation, Inc.

Sincerely yours,

JESS LARSON,
Administrator.

ATTACHMENT D

PRIMARY ZINC DISTILLERS

HORIZONTAL-RETORT PLANTS

Arkansas: Fort Smith—Athletic Mining & Smelting Co.[1]

Illinois:

Fairmont City—American Zinc Co. of Illinois.

La Salle—Matthiessen & Hegeler Zinc Co.

Oklahoma:

Bartlesville—National Zinc Co., Inc.

Blackwell—Blackwell Zinc Co.

Henryetta—Eagle-Picher Mining & Smelting Co.

Pennsylvania: Donora—American Steel & Wire Co.

Texas:

Amarillo—American Smelting & Refining Co.

Dumas—American Zinc Co. of Illinois.

VERTICAL-RETORT PLANTS

Illinois: Depue—The New Jersey Zinc Co.

Pennsylvania:

Josephtown—St. Joseph Lead Co.[2]

Palmerton—The New Jersey Zinc Co. of Pennsylvania.

West Virginia: Meadowbrook—E. I. du Pont de Nemours & Co., Inc.[3]

ELECTROLYTIC PLANTS

Idaho: Kellogg—Sullivan Mining Co.

Illinois: Monsanto—American Zinc Co. of Illinois.

Montana:

Anaconda—Anaconda Copper Mining Co.

Great Falls—Anaconda Copper Mining Co.

Texas: Corpus Christi—American Smelting & Refining Co.

Source: Minerals Yearbook 1950, United States Department of the Interior, Bureau of Mines, page 1289.

ATTACHMENT E

Statement of Tri-State district zinc concentrate production showing percentage produced and purchased by American Zinc Co.

	Total tons produced	Purchased and produced by American Zinc Co.	Percent purchased and produced by American Zinc Co.
1938	384,426	68,376	17.79
1939	396,633	70,991	17.90
1940	431,238	70,710	16.40
1941	486,042	79,000	16.25
1942	443,858	85,497	19.26
1943	376,751	87,143	23.13
1944	353,385	89,184	25.24
1945	258,010	59,495	23.06
1946	258,153	50,798	19.68
1947	203,898	34,897	17.11
1948	158,432	37,552	23.70
1949	146,711	44,113	30.07
1950	148,631	56,183	37.80
1951	167,045	45,064	26.98
1952	169,900	42,537	25.04
1953	99,323	43,651	43.95
1954	110,450	36,494	33.04
Total	4,592,886	1,001,685	21.81

[1] Operated since 1935 under contract for the American Zinc Co. of Illinois.
[2] Electrothermic plant.
[3] Now M. & H. Zinc Co., La Salle, Ill.

ATTACHMENT F

Statement showing total tonnage of concentrates treated by American zinc and subsidiaries and percent supplied from DMPA contracts whether of American Zinc Co. or purchased from DMPA contractors

	1951	1952	1953	1954	Total
Total tons treated	343,479	332,949	332,959	262,934	1,272,373
Total DMPA tons treated		7,770	15,354	9,146	32,270
DMPA tons treated, percent		2.33	4.61	3.47	2.54
Total DMPA tons treated, excluding AZ DMPA tons		2,563	1,261	60	3,389
DMPA tons treated, excluding AZ DMPA tons, percent		0.77	0.77		0.36
Total tons if 3 DMPA contracts performed		432	6,500	7,500	14,432
3-contract tonnage, percent		0.01	1.95	2.85	1.13

ATTACHMENT G

PARTIAL LIST OF ERRONEOUS OR MISLEADING STATEMENTS IN CONGRESSIONAL RECORD FOR JULY 11, 1955, PP. 8752 TO 8761

I. The Comptroller General states (CONGRESSIONAL RECORD, p. 8754):

"In August 1952, when the zinc market was 14 cents a pound, the General Services Administration purchased from the American Zinc, Lead & Smelting Co., 1,167 tons at 15½ cents a pound, or 1½ cents above the market price. This was at a time when Mr. Young held his official position as Deputy Administrator to Mr. Larson. At the same time other purchases were made from domestic surplus and foreign producers."

The facts are:

A. American Zinc, Lead & Smelting Co. sold no zinc to the General Services Administration during August 1952.

B. When any sale is made of special high grade zinc the price is 1½ cents over the quoted market price of prime western metal.

C. Mr. Young was Deputy Administrator for DMPA and had no authority from or responsibility to GSA.

II. The Comptroller General states (CONGRESSIONAL RECORD, p. 8758):

"The contract provided for a concentrating mill of the capacity of approximately 400 tons per day, but Mr. Clough purchased equipment from Mr. Young's company for a mill of 1,200 tons capacity at an additional cost of approximately $60,000."

The facts are:

A. Neither Mr. Clough nor his company purchased any equipment from American Zinc, Lead & Smelting Co. or subsidiaries.

B. Mid-Continent's concentrating equipment provides for a capacity of 400 tons of "feed" a day. The mine and crushing department provided for a capacity of 1,200 tons per day. The plan was to eliminate barren rock between the crushing department and the concentrating plant thereby materially reducing milling costs.

III. The Comptroller General states (CONGRESSIONAL RECORD, p. 8754):

"Of the total domestic zinc tonnage to be generated under expansion contracts, American Zinc alone was to smelt 47 percent of the concentrates. That company controls approximately 10 percent of the domestic zinc-smelting capacity."

The fact is:

The figures on which the percentages are based are not shown. But the 47 percent at best is misleading and misrepresentative because the DMPA tonnage on which it is based is so very small. It approximates 123,000 tons of concentrates over 3 years and of this tonnage, production from American Zinc prime contracts (effected before Mr. Young came to Washington) was 47,400 tons.

IV. The Comptroller General states (CONGRESSIONAL RECORD, p. 8758):

"The contract between DMPA and Mid-Continent was amended October 2, 1952, to provide for a Government advance of $325,000. No explanation has been found to justify a Government advance under the Defense Production Act of 1950 where Government-guaranteed private financing was available."

The fact is:

As the formal release of the First National Bank of St. Paul dated October 1, 1952, states, the issuance of a 100 percent guaranty of the loan agreement, which was a condition precedent to its taking effect, had been refused by the Government.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill (S. 2391) was ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. In view of the fact that the amendment offered by the Senator from West Virginia [Mr. KILGORE] was agreed to, the title of the bill will be appropriately amended.

The title was amended so as to read: "A bill to amend the Defense Production Act of 1950, as amended, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 350. An act for the relief of Siegfried Rosenzweig; and

S. 824. An act to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 34. An act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases;

S. 614. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to donate certain property to the American National Red Cross; and

S. 1177. An act for the relief of desert-land entrymen whose entries are dependent upon percolating waters for reclamation.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 741. An act to extend the provisions of title 12 of the Merchant Marine Act, 1936, relating to war-risk insurance, for an additional 5 years; and

S. 1855. An act to amend the Federal Airport Act, as amended.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5559) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 962. An act for the relief of Maria Louise Andreis;

H. R. 1044. An act for the relief of Teresa Alice Townsend;

H. R. 1155. An act for the relief of Solomon Wiesel;

H. R. 1333. An act for the relief of Ebolya Wolf;

H. R. 1868. An act for the relief of Ernest Tomassich and Yoko Matsuo Tomassich;

H. R. 3071. An act for the relief of Eleanor Ramos; and

H. R. 4245. An act for the relief of Mrs. Esther Rodriguez de Uribe.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6086) for the relief of certain relatives of United States citizens or lawfully resident aliens.

The message further announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 98) approving the granting of the status of permanent residence of certain aliens.

The message also announced that the House had agreed to the amendments of the Senate to each of the following concurrent resolutions of the House:

H. Con. Res. 99. Concurrent resolution favoring the granting of the status of permanent residence of certain aliens; and

H. Con. Res. 149. Concurrent resolution expressing the sense of the Congress that the United States in its international relations should maintain its traditional policy in opposition to colonialism and Communist imperialism.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 482. An act to provide for the conveyance of a portion of the former O'Reilly General Hospital, Springfield, Mo., to the State of Missouri, and for other purposes;

H. R. 483. An act to amend the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended, so as to provide for appointment of doctors of osteopathy in the Medical Corps of the Army and Navy;

H. R. 622. An act to provide for the release by the United States of its rights and interests in certain land located in Saginaw County, Mich.;

H. R. 727. An act to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school;

H. R. 1599. An act to provide for adjustments in the lands or interests therein acquired for the Jim Woodruff Reservoir, Fla. and Ga., by the reconveyance of certain lands or interests therein to the former owners thereof.

H. R. 2149. An act to increase the annual compensation of the Academic Dean of the United States Naval Postgraduate School;

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2559. An act to authorize male nurses and medical specialists to be appointed as Reserve officers;

H. R. 2889. An act to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah;

H. R. 3235. An act to provide for adjustments in the lands or interests therein acquired for the Demopolis lock and dam, Alabama, by the reconveyance of certain lands or interests therein to the former owners thereof;

H. R. 4047. An act relating to the establishment of public recreation facilities in Alaska, and for other purposes;

H. R. 4096. An act to provide for the disposal of public lands within highway, telephone, and pipeline withdrawals in Alaska, subject to appropriate easements, and for other purposes;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4672. An act to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College, of South Carolina, so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4729. An act to designate the lake created by the Fall River Reservoir, in the State of Kansas, as Lake Meyer;

H. R. 5856. An act to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year;

H. R. 6066. An act authorizing modification of the project for flood protection on the San Joaquin River and tributaries, California;

H. R. 6243. An act authorizing the construction of a nuclear-powered merchant ship to promote the peacetime application of atomic energy, and for other purposes;

H. R. 6417. An act to revive and reenact the act authorizing the Arkansas-Mississippi Bridge Commission, its public successors or public assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., approved May 17, 1939;

H. R. 6454. An act to amend the joint resolution approved August 30, 1954, relating to the establishment of the Woodrow Wilson Centennial Celebration Commission, and for other purposes;

H. R. 6590. An act to prohibit the employment by the Government of the United States of persons who are disloyal or who participate in or assert the right to strike against the Government of the United States, and for other purposes;

H. R. 6621. An act to amend title 18, United States Code, sections 871 and 3056, to provide penalties for threats against the Vice President-elect and to authorize Secret Service protection for the Vice President-elect;

H. R. 6727. An act to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis.;

H. R. 6991. An act to revise, codify, and enact into law, title 21 of the United States Code, entitled "Food, Drugs, and Cosmetics";

H. R. 7028. An act to increase the peacetime limitation on the number of lieutenant generals in the Marine Corps;

H. R. 7034. An act to provide permanent authority for the relief of certain disbursing officers, and for other purposes;

H. R. 7035. An act to amend section 1 of the act entitled "An act to authorize relief of accountable officers of the Government, and for other purposes," approved August 1, 1947 (61 Stat. 720);

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel;

H. R. 7201. An act relating to the taxation of income of insurance companies;

H. R. 7225. An act to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes;

H. J. Res. 276. Joint resolution to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Tex.; and

H. J. Res. 386. Joint resolution reaffirming the rights of the people of the world to freedom of religion.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 482. An act to provide for the conveyance of a portion of the former O'Reilly General Hospital, Springfield, Mo., to the State of Missouri, and for other purposes;

H. R. 2889. An act to provide for the conveyance of certain land in Necedah, Wis., to the village of Necedah;

H. R. 7034. An act to provide permanent authority for the relief of certain disbursing officers, and for other purposes;

H. R. 7035. An act to amend section 1 of the act entitled "An act to authorize relief of accountable officers of the Government, and for other purposes," approved August 1, 1947 (61 Stat. 720); and

H. J. Res. 276. Joint resolution to authorize the Texas Hill Country Development Foundation to convey certain land to Kerr County, Tex.; to the Committee on Government Operations.

H. R. 483. An act to amend the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947, as amended, so as to provide for appointment of doctors of osteopathy in the Medical Corps of the Army and Navy;

H. R. 2149. An act to increase the annual compensation of the Academic Dean of the United States Naval Postgraduate School;

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2559. An act to authorize male nurses and medical specialists to be appointed as Reserve officers;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4672. An act to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 7028. An act to increase the peacetime limitation on the number of lieutenant generals in the Marine Corps; and

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel; to the Committee on Armed Services.

H. R. 622. An act to provide for the release by the United States of its rights and interests in certain land located in Saginaw County, Mich.;

H. R. 727. An act to authorize the conveyance of certain land to the Pecwan Union School District for use as the site of a school;

H. R. 4047. An act relating to the establishment of public recreation facilities in Alaska, and for other purposes; and

H. R. 4096. An act to provide for the disposal of public lands within highway, telephone, and pipeline withdrawals in Alaska, subject to appropriate easements, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 1599. An act to provide for adjustments in the lands or interests therein acquired for the Jim Woodruff Reservoir, Fla., and Ga., by the reconveyance of certain lands or interests therein to the former owners thereof;

H. R. 3235. An act to provide for adjustments in the lands or interests therein acquired for the Demopolis lock and dam, Alabama, by the reconveyance of certain lands or interests therein to the former owners thereof;

H. R. 4729. An act to designate the lake created by the Fall River Reservoir, in the State of Kansas, as Lake Meyer;

H. R. 6066. An act authorizing modification of the project for flood protection on the San Joaquin River and tributaries, California; and

H. R. 6417. An act to revive and reenact the act authorizing the Arkansas-Mississippi Bridge Commission, its public successors or public assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., approved May 17, 1939; to the Committee on Public Works.

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College, of South Carolina, so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands; to the Committee on Agriculture and Forestry.

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 6727. An act to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis.;

H. R. 7201. An act relating to the taxation of income of insurance companies; and

H. R. 7225. An act to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes; to the Committee on Finance.

H. R. 5856. An act to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year; and

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 22, 1955
For actions of July 21, 1955
84th-1st, No. 123

CONTENTS

HIGHLIGHTS: House committee ordered reported sugar bill. Senate passed bill to exchange USDA and State employees. Senate received proposed legislation and bill was introduced in the House providing for increase in CCC borrowing authority. Senate committees reported bills to authorize loans to small reclamation projects, permit sales of certain CCC stocks without restriction, transfer title 3 lands to Clemson College, amend rice quota law, extend Mexican farm labor program, authorize CCC to process foods for donation, and amend tobacco allotments-quotas law.

HOUSE

1. RESERVE FORCES. Received the conference report on H. R. 7000, the reserve forces bill (H. Rept. 1335)(pp. 9601-5).

2. CONTRACTS. Agreed to the conference report on H. R. 4904, to extend the Renegotiation Act for two years (pp. 9605-6). This bill is now ready for the President.

3. MINERALS. Passed with amendments H. R. 6373, extending the Domestic Minerals Program Act to encourage the discovery, development, and production of certain domestic minerals (pp. 9610, 9619-29). The amendments agreed to related to the production of manganese and the establishment of a purchasing depot.

4. GOVERNMENT SECURITY. Conferees were appointed on H. J. Res. 157, to establish a Commission on Government Security (p. 9630). Senate conferees have been appointed.

5. FARM TRAINING. The Rules Committee reported a resolution for consideration of H. R. 4006, to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9649).

6. SUGAR. The Agriculture Committee ordered reported by a vote of 24 to 7, with amendments, H. R. 7030, to amend and extend the Sugar Act of 1948 (p. D755).

7. PRINTING. The House Administration Committee reported without amendment H. Res. 272, providing $65,000 for a study and investigation of Federal printing and binding (H. Rept. 1312)(p. 9649).

8. RECLAMATION; ELECTRIFICATION. The Rules Committee reported a resolution for consideration of H. R. 3383, authorizing the Colorado River storage project (p. 9649).

9. FABRICS; RESEARCH. The Rules Committee reported a resolution providing for consideration of H. R. 5222, amending the Flammable Fabrics Act to exempt scarves which do not present an unusual hazard from its provisions (p. 9649).

10. ROADS. The Public Works Committee reported without amendment H. R. 7474, providing for a Federal-aid highway construction program (H. Rept. 1336)(p. 9649).

11. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment H. R. 7470, to amend and extend the Defense Production Act of 1950 (H. Rept. 1343)(p. 9649).

12. FOREIGN TRADE; SURPLUS COMMODITIES. Rep. Allen, Calif., urged consideration of the use of the idle ships in the American merchant marine as storage for surplus grains and to continue the Cargo Preference provisions (pp. 9645-6).

13. LEGISLATIVE PROGRAM. The Majority Leader scheduled consideration on Mon., July 25, of the conference report on H. R. 7000, the reserve forces bill, and consideration of the following bills on Tues., July 26, through Sat., July 30 was scheduled providing rules are received; H. R. 3383, the Upper Colorado Storage project; S. 2127, the Small Business Administration bill; H. R. 7470, extension of the Defense Production Act; S. 2126, the housing bill; and H. R. 7474, the Federal-aid highway construction bill (pp. 9629-30).

14. ADJOURNED until Mon., July 25 (p. 9648).

SENATE

15. CCC STOCKS; LANDS; RICE; FARM LABOR; TOBACCO. The Agriculture and Forestry Committee reported during adjournment on July 20, with amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (S. Rept. 1042); S. 2297, national marketing quota for tobacco (S. Rept. 1043); S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (S. Rept. 1047); and H. R. 4280, to transfer certain title 3 lands to Clemson College (S. Rept. 1048); and with amendment H. R. 3822, to extend the Mexican farm labor program (S. Rept. 1045); S. 661, to authorize CCC to process food commodities for donation under certain acts (S. Rept. 1049); and S. 2295 and S. 2296, to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments (S. Repts. 1044 and 1046)(p. 9567).

16. EXCHANGE OF EMPLOYEES. Passed without amendment S. 1915, to provide for interchange of employees by this Department and State and local governments (pp. 9591-2). The bill had been reported without amendment during adjournment on July 20 (S. Rept. 1041)(p. 9567). Sen. Clements stated that "Senate bill

84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1343

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955

JULY 21, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 7470]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Your committee held open hearings on H. R. 7071 on July 6, 7, and 8, 1955, and closed hearings on July 12, 1955. H. R. 7470 is a clean bill reported by your committee.

GENERAL STATEMENT

The Defense Production Act amendments of 1953 continued for 2 years the basic authorities of 3 of the 7 titles of the Defense Production Act. The three titles that were continued were title I relating to allocations and priorities, [1] title III relating to expansion of productive capacity and supply, and title VII relating to general provisions of the act. [2] Today, as was true 2 years ago, the country is still engaged in mobilization and defense programs and it is the opinion of the committee a further extension, with some modifications, of these same 3 titles of the Defense Production Act is again desirable. The extension proposed of H. R. 7470 is to the close of June 30, 1956.

[1] Sec. 104 dealing with import controls was not extended inasmuch as other provisions of law were found adequate for the purposes of such section.

[2] Sec. 714 which set up the Small Defense Plants Administration was not extended as the Congress provided for a successor agency, the Small Business Administration, in the Small Business Act of 1953.

PRIORITIES AND ALLOCATIONS

The title I priorities and allocations power is of use both for the conduct of current defense programs and for the rapid handling of production and material problems in the event of full mobilization. While present supplies are approximately in balance with requirements for most materials and facilities, nevertheless Defense Department and Atomic Energy Commission procurement orders are of such magnitude as to make it only prudent to provide priority for deliveries under such orders. This is done through the defense materials system under which the Office of Defense Mobilization approves the priority programs and the allotment of controlled materials for them. It is a mechanism that could be expanded quickly in the event of mobilization to provide for the more extensive control of materials needed at such a time to meet war needs. The committee does not propose any change in the title I authority. However, the committee does propose a change in a related provision found in title VII of the act as will be noted later.

EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

This authority found in title III of the act authorizes the use of various incentives to expand productive capacity and supply needed for the mobilization base. Some 224 expansion goals have been established and in 147 of these, objectives have been reached. Section 301 of this title contains loan-guaranty provisions which are extensively used by the Department of Defense. The lending authority provided in section 302 has not been extensively used as much of the post-Korea plant expansion for defense has been financed by private capital with no Government assistance other than rapid tax amortization. Extensive use has been made of the title III procurement authority provided in section 303. At the close of 1954, purchase programs involving gross transactions of $8.2 billion had been certified. The expansion of productive capacity and the supply of strategic and critical materials, together with our stockpiling activities, has substantially reduced the threat of wartime shortages of such materials for defense purposes. The committee recommends that the title III authority be continued.

ALLOCATIONS IN THE CIVILIAN MARKET

Section 2 of the bill would amend section 701 (c) of title VII of the act which relates to allocations of materials in the civilian market. Although there are no such allocations at the present time the provision would become of importance if it again became necessary to allocate materials in the civilian market. This subsection sets forth the standards for use of the allocation power in the civilian market. Existing law would be changed by removing the fixed dates for determination of the base periods since they are no longer appropriate, and substitute a representative period "preceding any future allocations of materials."

VOLUNTARY AGREEMENTS

Section 3 of the bill amends section 708 of the Defense Production Act of 1950. Under section 708 of title VII of the act, the President is authorized to exempt from the operation of the antitrust laws combined actions of private parties when in accordance with a voluntary agreement which he has found to be in the public interest as contributing to the national defense. The President may delegate such authority only (1) to officials appointed by the President by and with the advice and consent of the Senate, and (2) on condition such officials consult with the Attorney General and the Chairman of the Federal Trade Commission before making any request or finding thereunder, and (3) upon condition such officials obtain the approval of the Attorney General to any request thereunder before making the request. Upon withdrawal of any request or finding the antitrust exemption shall cease to apply and in no case may extend beyond the expiration date of the act. The bill which your committee has reported would narrow this authority so that after the date of its enactment the antitrust exemption would only be permitted to apply to duly approved voluntary agreements or programs relating solely to the exchange of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense, and the exchange of materials, equipment, and personnel to be used in production of such equipment. The Attorney General would be directed to review existing voluntary agreements or programs and if he finds, after consultation with interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh national defense considerations, he must withdraw his approval of the voluntary agreement or program and thereupon the antitrust exemption would cease. Such review and determination must be made within 90 days after passage of the bill. The reports which the Attorney General is required to make as to the monopolistic effects of operations under the Defense Production Act would be required to specifically include studies of the voluntary agreements and programs. Such reports to the President and the Congress would be required to be submitted at least once every 3 months rather than on an indefinite basis as provided by existing law.

EMPLOYEES SERVING WITHOUT COMPENSATION

Section 4 of the bill would amend section 710 (b) of the Defense Production Act of 1950. Section 710 (b) of the Defense Production Act of 1950, as amended, authorizes the President, to the extent he deems it necessary and appropriate in order to carry out the provisions of the act and subject to such regulations as he may issue, to employ such persons of standing, experience, and ability without compensation, and authorizes the President to exempt such persons from the conflict-of-interest statutes (sees. 281, 283, 284, 434, and 1914 of title 18 of the U. S. Code and sec. 190 of the Revised Statutes).

During your committee's hearings on the 1955 extension of the Defense Production Act, the Director of the Office of Defense Mobilization, the Secretary of Commerce, and representatives of the Secretary of the Interior recommended that the authority to appoint persons

in this capacity be continued. Your committee also heard testimony in executive session on this subject from the Comptroller General of the United States and his staff with respect to a recent investigation made by the Comptroller General relating to w. o. c. (without compensation) personnel.

The authority for the appointment of w. o. c. personnel was contained in the original Defense Production Act of 1950 and was based upon the fact that in time of war or full mobilization it has been found necessary to make use of persons of outstanding ability and experience in Government assignments which require special knowledge in a particular industry. During the time of war or full mobilization when the Government has use of such personnel a desire to serve their country would attract outstanding leaders from industry into Government service and this same desire to serve their country which is based on patriotism would substantially reduce the danger of conflict of interest between that of Government and the private employer of the appointee.

The conflict-of-interest statutes are permanent criminal statutes and are designed to insure that an employee of the Government will serve his Government and not take any actions to the detriment of his Government or which are inimical to his Government employment and private interests. As we have moved from war or full mobilization into a long-range mobilization or preparedness program, the reliance on patriotism in connection with the waiver of the conflict-of-interest statutes can be diluted and it is this danger which has caused your committee to reappraise this specific authority at this time.

Your committee fully endorses the purposes of the conflict-of-interest statutes while at the same time is aware of the fact that the present preparedness program can be greatly benefited by the special knowledge which men of outstanding ability, experience, and of industry can provide the Government. It recognizes the fact that Government cannot pay such people the compensation which they are receiving in private employment and that it is probably necessary to permit these people to continue to be paid by their private employer during their period of Government employment. Thus the problem presented to your committee was to balance the benefits to the Government from the service of w. o. c. personnel against the danger to the public interest in the waiver of the conflict-of-interest statutes in connection with their service.

In coming to the conclusion that the employment of w. o. c. personnel was necessary to the present mobilization effort, your committee at the same time has endeavored to clothe the use of this authority in such a manner as to minimize the danger inherent in the waiver of the conflict-of-interests statutes. Section 4 of the bill incorporates into the law the provisions of Executive Order No. 10182, as amended, with the following additions: (1) Limits the role of w. o. c. personnel when policy matters are involved to advising appropriate full-time salaried officials who are responsible for making policy decisions, (2) requires every appointee to file under oath with the head of his employing agency at the time of his employment a full and complete report of his outside connections, listing all personal and financial relationships which he has at that time, or has had within 12 months prior to his appointment, with any person, firm, corporation, or other entity, or

any trade organization, labor union, or similar organization; the appointee would also be required to file monthly thereafter, under oath, during the period of his appointment any changes in his outside connections, and (3) requires the Chairman of the Civil Service Commission to file with the Joint Committee on Defense Production the findings of his quarterly surveys of w. o. c. appointments together with his recommendations with respect thereto.

JOINT COMMITTEE ON DEFENSE PRODUCTION

Section 5 of the bill would amend section 712 of the Defense Production Act of 1950. Section 712 of title VII of the act set up the Joint Congressional Committee on Defense Production. This section of the act would be amended in only two minor respects. The allowance for stenographic reporting would be increased to 40 cents per hundred words (presently 25 cents) and the $50,000 limit on expenses of the committee would be increased to not to exceed $65,000 in any fiscal year.

EXTENSION OF EXPIRATION DATE

The expiration dates for authorities contained in the Defense Production Act is contained in section 717 of title VII of the act. Presently the titles now in effect—Title I (except sec. 104), title III, and title VII (except sec. 714) terminate at the close of July 31, 1955. Section 6 of the bill would extend such termination dates to the close of June 30, 1956.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

* * * * * * *

TITLE VII—GENERAL PROVISIONS

SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this Act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this Act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this Act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations, or orders, or amendments thereto issued under authority of this Act, and in their formation there shall be fair representation for independent small, for medium, and for large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this Act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this Act; and

(iv) in administering this Act, special provisions shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period [following June 30, 1953] *preceding any future allocation of materials:* [*Provided, however,* That the President shall from time to time give effect to the then current competitive position of established businesses as measured over a reasonable period of time, except as the same may result from Government controls under this or any other Act: *Provided further,* That the limitations and restrictions imposed on the production of specific items shall not exclude new concerns and newly acquired operations from a fair and reasonable share of total authorized production, and shall give due consideration to the needs of new concerns and newly acquired operations: *Provided further,* That if the President continues or reimposes allocation controls after June 30, 1953, in the civilian market of any materials subject to such controls on July 1, 1953, he shall do so in the manner above provided but on the basis of the share received by such business during a representative period preceding June 24, 1950, adjusted to reflect, since such date, attained competitive position, the requirements of new concerns and newly acquired operations.] *Provided, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry.*

* * * * * * *

SEC. 708. (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States: *Provided, however, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.* A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted

in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder, *or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based*, the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. *Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.* The Attorney General shall submit to the Congress and the President within ninety days after the approval of this Act, and [at such times thereafter as he deems desirable] *at least once every three months*, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section.

* * * * * * *

SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons temporarily in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that Act.[3]

(b) (*1*) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation[; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment].

(*2*) *The President shall be guided in the exercise of the authority provided in this subsection by the following policies:*

(*i*) *So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.*

(*ii*) *Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.*

(*iii*) *In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible. any conflict between the governmental duties and the private interests of such personnel.*

(*3*) *Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within twelve months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.*

(*4*) *Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.*

(*5*) *Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—*

(*i*) *Exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such*

[3] This subsection was repealed on June 28, 1955, by subsec. 12 (c) (1) of Public Law 94, 84th Cong.

appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest.

(ii) Exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the Act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest.

(iii) Exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment.

(iv) Exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

(i) That the appointment is necessary and appropriate in order to carry out the provisions of the Act;

(ii) That the duties of the position to which the appointment is being made require outstanding experience and ability;

(iii) That the appointee has the outstanding experience and ability required by the position; and

(iv) That the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

(8) At least once every three months, the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

* * * * * * *

SEC. 712. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Defense Production (hereinafter referred to as the committee), to be composed of ten members as follows:

(1) Five members who are members of the Committee on Banking and Currency of the Senate, three from the majority and two from the minority party, to be appointed by the chairman of the committee; and

(2) Five members who are members of the Committee on Banking and Currency of the House of Representatives, three from the majority and two from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a member of the Senate and the other a member of the House of Representatives.

(b) It shall be the function of the committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof. Upon request, the committee shall aid the standing committees of the Congress having legislative jurisdiction over any part of the programs authorized by this Act; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. Any department, official, or agency administering any of such programs shall, at the request of the committee, consult with the committee, from time to time, with respect to their activities under this Act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such

testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of [25] *40* cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of and failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) The expenses of the committee under this section, which shall not exceed [$50,000] *$65,000* in any fiscal year, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

* * * * * * *

SEC. 717. (*a*) Title I (except section 104), title III, and title VII (except section 714) of this Act, and all authority conferred thereunder, shall terminate at the close of [July 31, 1955] *June 30, 1956*. Section 714 of this Act, and all authority conferred thereunder, shall terminate at the close of July 31, 1953. Section 104, title II, and title VI of this Act, and all authority conferred thereunder shall terminate at the close of June 30, 1953. Titles IV and V of this Act, and all authority conferred thereunder, shall terminate at the close of April 30, 1953.

(*b*) Notwithstanding the foregoing—

(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provisions authorizing the creation of such agency.

(*c*) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act, or the taking of any action (including the making of new guarantees) deemed by a guaranteeing agency to be necessary to accomplish the orderly liquidation, adjustment or settlement of any loans guaranteed under this Act, including actions deemed necessary to avoid undue hardship to borrowers in reconverting to normal civilian production; and all of the authority granted to the President, guaranteeing agencies, and fiscal agents, under section 301 of this Act shall be applicable to actions taken pursuant to the authority contained in this subsection.

Notwithstanding any other provision of this Act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into, pursuant to, or under the authority of, section 602 or section 605 of this Act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.

(*d*) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant

shall allege and prove (1) that he objected at the hearing to the provisions of the order under such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection.

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Union Calendar No. 424

84TH CONGRESS
1ST SESSION

H. R. 7470

[Report No. 1343]

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1955

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

JULY 21, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Defense Production Act of 1950, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1955".

SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such ma-

terial, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "*Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being pro-

cured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder. and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include

studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within twelve months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the Act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the

receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"(8) At least once every three months the Chairman of the United States Civil Service Commission shall survey

appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper."

SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (c) thereof and inserting in lieu thereof "$65,000".

SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

Union Calendar No. 424

84TH CONGRESS
1ST SESSION

H. R. 7470

[Report No. 1343]

A BILL

To amend the Defense Production Act of 1950, as amended.

By Mr. SPENCE

JULY 19, 1955

Referred to the Committee on Banking and Currency

JULY 21, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

13. FARM PROGRAM. Sen. Symington charged "political manipulation in the farm program in Missouri" and Sen. Humphrey joined him in the statement (pp.10519-29).

14. WATER POLLUTION. Sen. Duff urged water-pollution control as a means of conserving water (pp. 10529-30).

15. FARM CREDIT. H. R. 5168, the FCA bill, was made the unfinished business (p. 10546).

HOUSE - July 29

16. SUPPLEMENTAL APPROPRIATION BILL, 1956. Received the conference report on H. R. 7278 (pp. 10460-4). Attached to this Digest is a statement showing actions on the USDA items in this bill.

17. HOUSING. Passed, 396 to 3, S. 2126, the housing bill, with an amendment by Rep. Wolcott in the nature of a substitute (pp. 10404-43). The Wolcott amendment, which was agreed to by a vote of 217 to 188, does not include the provision for continuation of the farm housing program which has been authorized for administration by this Department. House and Senate conferees were appointed (pp. 10443, 10505).

to

18. SUGAR. Agreed to a resolution/provide for debate on H. R. 7030, to amend and extend the Sugar Act (pp. 10445-6).

19. DEFENSE PRODUCTION. Began debate on H. R. 7470, to amend and extend the Defense Production Act (pp. 10445-50).

20. FARM LABOR. Agreed to the conference report on H. R. 3822, which provides for a 3½ year extension (until June 30, 1959) of the Mexican farm-labor program, relieves employers of double liability for the cost of returning a worker to Mexico where the employer has paid once for such movement but the Mexican does not return and is later apprehended, and specifies that the Secretary of Labor is to obtain information on the availability of domestic workers, prevailing wage rates, and labor shortages in the area, then post publicly the number of workers to be imported (p. 10401). This bill will now be sent to the President.

21. SURPLUS COMMODITIES. Agreed to the conference report on H. R. 2851, to authorize the Secretary of Agriculture, until June 30, 1957, upon request of a State Governor, to distribute to the State wheat flour and corn meal owned by CCC using Sec. 32 funds limited to $15 million a year (p. 10402). This bill will now be sent to the President.

22. PERSONNEL. House conferees were appointed on H. R. 4048, making recommendations to the States for legislation to permit and assist Federal personnel to vote (pp. 10444-5).

23. WATER RESOURCES. Agreed to the conference report on H. R. 3990, to authorize the Interior Department to investigate and report to Congress on projects for the conservation, development, and utilization of water resources of Alaska (pp. 10394-5). This bill will now be sent to the President.

24. PERSONNEL. Passed as reported H. R. 7618, to increase annuities of retired employees by 12% on the first $1,500 and 8% thereafter up to $4,000, with a gradual reduction in the increases until they end on Dec. 31, 1957 (pp. 10395-6).

25. WATER COMPACT. Passed as reported S. 2660, consenting to a compact among Ark.,

Tex., La., and Okla. regarding Red River basin waters (p. 10395).

The Public Works Committee reported with amendments H. R. 6256, consenting to a compact of Kans. and Okla. regarding Arkansas River Basin waters (H. Rept. 1592)(p. 10466).

26. RECLAMATION. House conferees were appointed on H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects, etc. (p. 10395). Senate conferees were appointed July 28.

Rep. Pfost spoke in favor of the Hells Canyon project (p. 10402).

Received from the Interior Department a report on the Ventura project, Calif. (H. Doc. 222); to Interior and Insular Affairs Committee (p. 10465).

The Interior and Insular Affairs Committee reported without amendment S. 180, to authorize the Washita River Basin project, Okla. (H. Rept. 1582)(p. 10466).

27. SURPLUS PROPERTY; CIVIL DEFENSE. Passed as reported H. R. 7227, to amend the Federal Property and Administrative Services Act of 1949 so as to authorize disposal of surplus property for civil defense purposes (pp. 10396-7).

28. PROPERTY; TAXATION. Passed without amendment H. R. 6182, to amend the Federal Property and Administrative Services Act so as to make temporary provision for payments in lieu of taxes with respect to certain real property transferred by RFC to other Government departments (pp. 10397-401).

29. FARM-CITY WEEK. Rep. Ashmore requested consideration of H. J. Res. 317, to provide for Farm-City Week, but Rep. King, Pa., objected (p. 10404).

30. PUBLIC LANDS; MINING. House and Senate conferees were appointed on H. R. 100, to permit the mining, development, and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10445, 10530).

31. REORGANIZATION; PAPERWORK. Rep. Holifield criticized the Hoover Commission procedure in connection with the study on paperwork (pp. 10457-9).

32. WILDLIFE CONSERVATION. The Merchant Marine and Fisheries Committee reported without amendment S. 756, to authorize the appropriation of accumulated receipt in the Federal-aid wildlife-restoration fund (H. Rept. 1756)(p. 10466).

33. LIBRARY SERVICES. The Education and Labor Committee reported without amendment H. R. 2840, to promote the further development of public library service in rural areas (H. Rept. 1587)(p. 10466).

ITEMS IN APPENDIX - July 29

34. SUGAR. Rep. Utt inserted the testimony of Oscar L. Chapman on the sugar bill (pp. A5612-14).

35. TOBACCO. Rep. Lankford inserted an editorial favoring purchase of Swiss products so as to enable the Swiss to purchase American tobacco (p. A5614).

36. PERSONNEL. Rep. Hoffman inserted a Saturday Evening Post article, "Loyalty Boards Can Err, but We Still Need Them"(p. A5622).

37. FARM PROGRAM. Sen. Humphrey inserted a Democratic Digest article charging "pledges and hedges" regarding the farm program by the administration (pp. A5624-5).

Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BURLESON, ASHMORE, and MORANO.

MINING, DEVELOPMENT, AND UTILIZATION OF MINERAL RESOURCES OF PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes, with Senate amendments, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ENGLE, ASPINALL, ROGERS of Texas, SAYLOR, and YOUNG.

STEPHAN SWAN OGLETREE

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6232) to include as Spanish-American War service under laws administered by the Veterans' Administration certain service rendered by Stephen Swan Ogletree during the Spanish-American War, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, for the purpose of laws administered by the Veterans' Administration, it shall be considered that Stephan Swan Ogletree was honorably discharged from Company G, Second Regiment Alabama Volunteer Infantry, after having rendered at least 70 days active military service therein during the Spanish-American War. No benefit shall be afforded hereunder for any period prior to the date of receipt of an application therefor filed subsequent to the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in; a motion to reconsider was laid on the table.

COMMISSIONER OF ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7684) to authorize the Atomic Energy Commission to pay the salary of a Commissioner during the recess of the Senate, and for other purposes.

The Clerk read the title of the bill.

Mr. COLE. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina give a brief explanation of the bill?

Mr. DURHAM. Mr. Speaker, this bill simply permits the President to pay the salary of a Commissioner to fill a vacancy at the present time, provided appointment is made as an interim appointment. It also contains a provision dealing with certain information regarding the Commissioners.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

AUTHORIZATION

SECTION 1. Notwithstanding the provisions of the act of June 7, 1924 (43 Stat. 699; 5 U. S. C. 56), the United States Atomic Energy Commission is authorized to pay the salary of any person appointed by the President during the recess of the Senate to fill the presently existing vacancy on the Atomic Energy Commission: *Provided*, That a nomination to fill such vacancy shall be submitted to the Senate not later than 40 days after the commencement of the next succeeding session of the Senate.

LIMITATION

SEC. 2. The authority granted in section 1 hereof shall not extend beyond the recess of the Senate next following the session of Congress during which this act is enacted.

SEC. 8. The first sentence of section 21 of of the Atomic Energy Act of 1954 is amended to read as follows: "Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON PUBLIC WORKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 7596.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUR OF MEETING JULY 30

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10:30 o'clock a. m.

Mr. H. CARL ANDERSEN. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 320, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, adoption of House Resolution 320 will make in order the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

House Resolution 320 provides for an open rule with 1 hour of general debate on the bill.

Mr. Speaker, this bill would extend the provisions of the Defense Production Act to the close of June 30, 1956. As the report indicates the necessity for the extension of this act lies in the fact that the country is still engaged in mobilization and defense programs and it is imperative that the program be continued.

The bill has been reported from the Committee on Banking and Currency without amendment and the committee report complies with the Ramseyer Rule.

Since the rule is an open one and therefore the bill would be open for amendment I hope that the House will adopt House Resolution 320 which will make consideration of H. R.7470 possible.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948, AS AMENDED

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 328 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, and all points of order against such bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the

intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself such time as I may consume.

Mr. Speaker, as indicated by the reading of the resolution, it makes in order consideration of the bill H. R. 7030, to amend and extend the Sugar Act of 1948.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to this rule. It makes in order consideration of the bill H. R. 7030. Certain comments were made in regard to three amendments that might be offered, but I shall not go into that now.

Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7470, with Mr. SHEPPARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill would extend the Defense Production Act for another year. The Defense Production Act is an emergency act. It was enacted during the Korean war, and the only justification for its continuance is that there still is an emergency. I think we can all agree to that. The world is in such an unsettled state that we have to be constantly prepared for any emergency; that we must keep the administrative machinery in operation so it will not be hard to continue it in its full vigor if we need it.

The Defense Production Act now contains only three titles relating to allocations and priorities, defense production assistance, and administrative provisions. The bill makes few changes in the act. The administration has asked for the services of men who have special skills, who work without compensation. Many of these are men who have vast holdings in various enterprises that might conflict with their duties to their Government. These men have not been under very close supervision. They have largely exercised their judgment without the strict control that it seems to me should be exerted over them. A man certainly cannot serve two masters, and we are told that where a man's treasure is there his heart is also. So, we have placed restrictions upon these gentlemen. We have provided that they should divulge their holdings to the heads of their agencies and they should not make any policy decisions. Some people have said that a good man would resent these requirements; that he would not come here to serve. But, I am quite sure that a man who was imbued with a patriotic spirit and a desire to serve would be glad to have such restrictions imposed on all w. o. c.'s, because if there is any breach of duty or any unfaithfulness on the part of anyone, the taint falls on all. So, we have proposed some strong provisions that will protect the interests of the Government if men should seek to enrich themselves by pretending to serve their Government.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. CELLER. I have read carefully the bill the committee reported out, and it does make a sincere effort to curb the operations of those who have dual loyalties or w. o. c.'s, without compensation, those whom we called in the Second World War "dollar-a-year men." But, in the inquiry that the House Committee on the Judiciary has made, evidence has been adduced to show, for example, that the Director of the Business Defense Services Administration—which is a successor to the old NPA—in the Department of Commerce, has ruled that w. o. c.'s may be heads of divisions. There are 25 divisions in the Department of Commerce, and 15 of those division heads are w. o. c.'s. These division heads pass upon or recommend on matters of tax amortization, matters of quotas, matters of preferred treatment, Government specifications in contracts, and, in addition, they control scores and scores of civilian employees. Now, the head of the Business and Defense Services Administration, Mr. Honeywell, said that a head of a division should be a w. o. c. He at least prefers w. o. c.'s to head divisions. He has made that decision and could make that decision even with the passage of the bill that the gentleman reported out. I am of the opinion—and I am sure the gentleman is—that the head of such a division is in a policymaking position in view of what his duties are. If he is in a policymaking position the w. o. c. should not be employed. Secretary of Commerce is not to place in a policymaking position w. o. c.'s, but Mr. Honeywell and Mr. Weeks have already decided w. o. c.'s may be the heads of divisions. In other words, the gentleman's bill will not prevent them from doing just that. The Department of Commerce heads determine what is or what is not a policymaking position. They determine in advance that a head of a division is nonpolicymaking. An amendment might well be offered to the effect that a division head is a policymaking position and cannot be filled by any w. o. c.

Mr. SPENCE. I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

EMPLOYEES WITHOUT COMPENSATION

Mr. PATMAN. Mr. Chairman, this bill permits the continuance of w. o. c.'s without compensation. During World War I the Government permitted the use of dollar-a-year men. During World War II the use of dollar-a-year men was again permitted. When the Korean war commenced in 1950, I believe in either October or November of that year, President Truman asked for the passage of this act, the Defense Production Act. It permitted the use of w. o. c.'s without compensation. He restricted their activities to a certain extent and it was intended that it apply only during the war or a great national emergency. That was the purpose of the use of w. o. c.'s.

You cannot justify their use any other way. Let us remember that in 1953 when the extension of this act was again requested by President Eisenhower, Mr. Truman's order continued as it was before for the last 2 years, it extended the act until 1955. It expired June 30, 1955 but a continuing resolution extends it to July 30, 1955. It is a simple question now, and the question is, Shall we in time of peace permit the use of people in Government service who have a conflict of interests and who have a personal ax to grind, a selfish ax to grind. In other words, whom will they serve? Will they serve their Government or will they serve the corporation that pays them a salary. That is the question involved here.

I have a simple amendment to this bill, that is really just one word, just the word "not," so it in effect will read that they shall not be permitted.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield ?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman mentions the word "not." If this word "not" is inserted in the bill it will practically kill the effect of the bill. You have to have some of these $1-a-year men. We have corrected the situation mentioned by the gentleman by placing many amendments in the bill, and I do not see how anybody could take advantage of the Government under the amendments we have put in this bill. Of course, you have to give the Administrator, Dr. Flemming, who is one of the finest men I know anywhere, the tools with which to carry out his duties. Inserting the word "not" means that he cannot carry out these duties.

Mr. PATMAN. We will not have any w. o. c.'s, that is what I mean by this.

This amendment is to strike out all the language beginning on page 4, line 7, and all of pages 5, 6, 7, and on page 8,

down to line 4. That strikes out the permission to use w. o. c.'s.

It is my contention that there is really no intelligent and effective way to regulate one in Government service who is serving without compensation. You can put all the restrictions and limitations around that that you want to, but the fact remains that they are in your Government. They are learning secrets. They know what is going to happen, what is going on. To expect them not to take advantage of it, to give their employers, who are paying them their salaries and taking care of them, well, to expect them not to disclose these secrets to their employees I think is expecting too much. You would just be expecting to have people who are not human in a case like that. If they are human beings, they are loyal. To whom will they be loyal? Will they be loyal to the Government, to whom they feel they owe little responsibility, or will they be loyal to their employer, for whom they have worked over a long period of years under circumstances that were very favorable to them and very profitable, and they are expected to have a much longer period of time with that particular employer. A w. o. c. looks forward to that. So it does not take any particular sense to realize to whom this w. o. c. will feel he owes his greatest loyalty. I think you can use any kind of sense, booksense, commonsense, or horsesense, and you can come to only one conclusion, that is, they will feel that their greatest allegiance will be to their employer.

In time of war you can justify it. We can all justify it because patriotism comes first. I am perfectly willing to trust them in time of actual warfare. That is all right. We have done it in the past.

If we were to extend this in time of peace, it would be the first time in the history of the United States Government that we have ever recognized the use of dollar-a-year men or w. o. c.'s in time of peace. In 1953, when we extended this act for 2 years, it was in time of war. That was during the Korean war.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman remembers that in 1916, the year before World War I, Congress gave the President extraordinary powers. In 1940, before the Second World War, the Congress did the same thing again.

Mr. PATMAN. That is right. That is exactly right, but if I were on the other side with my good friends, the Republicans, and I wanted this thing extended, I would want the Democrats to take the responsibility for extending it because it would be a great burden for the Democrats to carry. This is the first time in the history of the United States Government that it has ever seriously been proposed to use people without compensation in the Government in time of peace. It is a long step that we are taking here. We have never done that before. That has never been done since 1789.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOFFMAN of Michigan. As I understand your argument, you are trying to help defense production?

Mr. PATMAN. I am for defense production; yes.

Mr. HOFFMAN of Michigan. Now tell me this, if you will. In Wisconsin, in Sheboygan, there is this Kohler strike. Some of the CIO boys went over there and committed some crimes and fled back to Michigan. Our Governor, Mennen Williams, will not honor the request of the Governor of Wisconsin or the Wisconsin authorities to get those goons back.

Mr. PATMAN. May I state to the distinguished gentleman from Michigan that that is not related to this program that we are talking about.

Mr. HOFFMAN of Michigan. But this has to do with production.

Mr. PATMAN. I know, but it is not material to this particular question that we are discussing.

Mr. HOFFMAN of Michigan. It is not?

Mr. PATMAN. No, sir.

Mr. HOFFMAN of Michigan. Then, I apologize. I just wanted to call your attention to this situation.

Mr. PATMAN. The gentleman does not need to apologize. I am glad to listen to him.

Mr. HOFFMAN of Michigan. I just wanted to call your attention to their stopping a movement of freight cars down there to Muskegon.

Mr. PATMAN. We are talking about dollar-a-year men.

Mr. HOFFMAN of Michigan. I apologize to the gentleman for interrupting him.

Mr. PATMAN. The gentleman does not have to apologize. I am glad to listen to him anyway. Go ahead and talk.

Mr. HOFFMAN of Michigan. Do you want to listen to me some more now?

Mr. PATMAN. Yes; if the gentleman can get me some more time.

Mr. HOFFMAN of Michigan. I want to say this: You know these ships——

Mr. PATMAN. The chairman indicates that he will not give me any more time, so I cannot yield further.

Mr. HOFFMAN of Michigan. I will get you 10 more minutes.

Mr. PATMAN. If I cannot get any more time, we had better stop this colloquy.

The CHAIRMAN. Is the gentleman asking that the gentleman's time be extended?

Mr. HOFFMAN of Michigan. The gentleman from Texas yielded to me as far as I am concerned.

Mr. PATMAN. I am advised that I cannot get any more time so I cannot yield further.

Mr. HOFFMAN of Michigan. Does the gentleman yield or does he not yield?

Mr. PATMAN. I cannot yield now because I have no assurance of getting additional time.

Mr. HOFFMAN of Michigan. Again, Mr. Chairman, I apologize but I understood that the gentleman yielded.

Mr. PATMAN. I had yielded, but then I found out that the chairman could not give me any more time so I cannot yield further.

The CHAIRMAN. The gentleman from Texas may proceed.

Mr. PATMAN. Mr. Chairman, this is a serious step that we are considering taking. Remember that the Democratic Party, through its leadership and through its membership in the 84th Congress, is asked to take the responsibility for adopting a policy for the first time in the history of this Nation to allow people from private industry to come into Government service without compensation and to be paid by their own employers. That has never happened before in time of peace. I do not believe that it can be justified. It is time for the Government to be training its own career men to fulfill the responsibilities of any particular position in which it wants people to serve the Government and not have to depend upon private industry to send their people into the Government in time of peace and, thus, get the benefits of the secrets of the Government and then go out and use those secrets in the interest of the particular company they are working for.

We should not put our stamp of approval on this proposal in time of peace, although we can justify it and endorse it in time of war, when for patriotic reasons we are willing to give up our conflicts of interests and our private interests, and do everything we can to win the war in which we happen to be engaged.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. Are we not in a national emergency?

Mr. PATMAN. No.

Mr. BROWN of Georgia. If not, why should we take this Defense Production bill up at all?

Mr. PATMAN. The gentleman asked me a question as to whether we were in a real national emergency. If we were in a real national emergency we would have in this bill standby authority for the President to put on price controls, housing controls, allocations, allotments, and a lot of different things that you need in the event of war, but they have not been included; so it is a contradiction of the theory that it is an emergency, Mr. Chairman. If it were an emergency you would have some teeth in this bill, and you do not have them in it.

Mr. BROWN of Georgia. Dr. Flemming is a very outstanding man.

Mr. PATMAN. I know he is.

Mr. BROWN of Georgia. He says we are in a national emergency now and that he cannot operate without some of these men in private industry who are specialists because he cannot find them in the Government.

Mr. PATMAN. I heard what Dr. Flemming said and I think he is a very fine man, but really I do not know of much justification for this except the extension of w. o. c. I am opposed to it and I am going to offer an amendment to strike it out.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, the papers publish statements that next Monday we are to start negotiations with representatives of the illegitimate Red government of China and that such negotiations will relate not only to the return of our prisoners of war but to a so-called cease-fire in the Formosa Straits.

Prior to the Geneva Conference described as "at the summit" those of us who were concerned were solemnly assured by the highest authority that no Asiatic questions would be on the agenda. This I believe was true and, so far as I know, no discussions were held at Geneva with respect to Asia. But if we were to start negotiations with the illegitimate government of Red China without the participation of the legitimate Government of China, we should be following the precise pattern of Yalta. What right has this Government to give away what is not ours to give? The President and Secretary of State have given solemn assurances that negotiations will not cover such matters.

I know of no firing in the Straits of Formosa. We have virtually forbidden the Nationalist Government of China to go to the Chinese mainland. We have served notice on the world that we shall not allow the illegitimate Red government of China to capture Formosa. What could there be to negotiate about unless we were to negotiate our own surrender?

The chairman of the Committee on Foreign Relations in the other body took a very leading and most useful part in procuring the passage of the Formosa resolution, so-called, last January. His recent utterances are frightening to me.

Mr. SPENCE. Mr. Chairman, I yield 3½ minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, in committee we made a very careful study of this bill, and I am in support of the legislation.

I just want to call the attention of the committee to a circular which I received at my home a few days ago put out by one of the leading rubber companies in the country. In this circular the company claims great credit for research in butane rubber. No credit is given to the accomplishments and expenditures of the Federal Government in its development of synthetic-rubber production. The great rubber companies of America did not see the advisability of going into this field on their own during a time of national emergency when we were at war. They waited for Government initiative and Government funds.

Under the Defense Production Act, we spent almost $2 billion annually for research for national defense. It is good, it is necessary, it is important; but incidental to the research for national defense we have developed products of great civilian value. What happens to the benefits of this research which results in discoveries of great civilian value? Does the Government try in any way to make the defense program self-liquidating by getting back some of the royalty rights on the achievements and advances in civilian products which are made possible by research at public expense? We have no subsidies available for public housing by the action of this Congress today; we have no subsidies for schools; we can do nothing about roads; yet we can afford to carry on a research program for the benefit of a great many corporations of this country who sell to the American people for profit the results of this research paid for with public funds.

I think the Federal Government should make some effort to make the defense-production program self-liquidating, at least, in some measure.

The Office of Defense Mobilization and other Federal offices will soon make available the results of this research in pamphlet form in which the purchasers will get the benefit of all this research at the cost of printing. I do not think that is enough recoupment for the tremendous public investment in research on civilian products.

With respect to the w. o. c.'s, I believe that they are necessary in our Government, but I want to announce now that when the opportunity is afforded I shall offer an amendment which will provide in effect that any of these people who come into the Government and retain their connections with private employers shall sign an affidavit in which they will state that they will not knowingly and to the detriment of Government commit any act of commission or omission which will inure to the financial benefit of either themselves or their employers, present, past or future.

It seems to me that if we make Government employees sign an affidavit that they will be loyal to the United States and in which they promise not to strike, they should be willing to sign an affidavit in which they will promise not to swindle the Government.

Any person who enters the Government service with or without compensation should be willing to sign this kind of an affidavit. It should be particularly required of the persons who enter without compensation and retain their positions and connections with and derive their compensation from private employers.

The program for bringing w. o. c.'s into the Government should never be taken to substitute for a program of in-service training. Until an adequate training program can be developed, there is need for the w. o. c.'s but they should certainly be willing to sign an affidavit in which they promise loyalty to Government over loyalty to their employer.

In order to accomplish this purpose, I will introduce the following amendment to H. R. 7470:

On page 5, line 15, add the following language to subsection 3: "Such affidavit shall include the statement that the person appointed under the authority of this subsection will not knowingly commit any act of omission or commission which will to the detriment of Government inure to his personal profit or to the profit of his employer or future employer."

(Mr. VANIK asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, there was considerable eyebrow raising recently when it turned out that a Reserve general handling military needs happened to be drawing pay from an oil company which employs him when he is not in uniform. That was an extreme case of double loyalty. Then it developed a man who is in the Interior Department's Oil and Gas Division was drawing a pension from another oil company. Then came the revelation that Harold I. Young, president of the American Zinc, Lead & Smelting Co., from 1951 to 1953 was a w.o. c. as Deputy Administrator of the Defense Material Procurement Administration. His salary from the American Zinc Co. was $79,000. His salary from the United States was $1. He permitted the WM. & W. Mining Co., Inc., to continue production of zinc concentrates. The American Zinc Co., his company, was greatly interested in the WM. & M. Mining Co. The American Zinc Co. had advanced $36,000 to that company for future supplies. Mr. Young, as Deputy Administrator of the Defense Material Production Administration, promptly arranged a contract made retroactive to 1952 calling for subsidy payments that permitted the company to fulfill its obligations to the American Zinc Co., the employer of the head of the Defense Material Procurement Administration. Thus, this w. o. c. feathered the nest of his own employer, a company of which he was an officer.

We have been conducting hearings inquiring into some of these w. o. c.'s, we members of a subcommittee of the Committee on the Judiciary, and here are some of the activities we found.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The Joint Committee on Defense Production had a hearing on charges made by the General Accounting Office against Mr. Young. We first called the witnesses of the GAO. Then we decided to call Mr. Young to answer these charges. The contracts claimed to have been signed upon recommendation by Mr. Young were actually signed by his superior in charge, Mr. Larson, who claimed that he was responsible for these contracts and not Mr. Young.

Mr. Young's character has been proven to be good by all who know him, and I think had the GAO gone further and talked with Mr. Young probably there would not have been any hearing. Speaking for myself, I think the General Accounting Office did not go far enough and I believe they made a mistake in not talking to Mr. Young before they made their report. Mr. Young explained many charges against him to the satisfaction of some of the members of the committee. I am not criticising the GAO for bringing the charges as there were circumstances which probably justified them in doing this, but I do think they made a mistake in not talking to Mr. Young after they had certain facts.

Mr. Young made it plain that he did not benefit by the contracts he was alleged to have made and did not receive a dime directly or indirectly, and that Mr. Larson signed the contracts knowing all

the facts. One charge was that he sold for his company $60,000 worth of machinery to Mid-Continent. It developed that the GAO did not go far enough and they found out when they did after the hearing that Mid-Continent bought this machinery from another concern, which was admitted by GAO.

I just wanted to tell the gentleman that, and I think it is a mighty good thing we went into it because it developed that Mr. Young was a man of good character. I am not criticizing the GAO for making the report to our committee but I do say they should have gone further and confronted Mr. Young with the charges and have given him an opportunity to explain them. Mr. Young received no benefit from the contracts with the three companies involved and he made a good impression on our committee. I do not want to reveal anything that took place in our committee but I do not think I should stand by and let this charge go unanswered when I am chairman of the committee that made the investigation. I am not criticizing the GAO for bringing to our attention the dealings of Mr. Young when employed by the Government at this time but I do think they should have gone further into the charges before they brought them to our attention. It is the duty of the GAO when they believe there was any misconduct to report it to our committee, which they did and I believe they were sincere about it, but I repeat I think they should have gone a little further in the investigation of the contracts of Mr. Young. There were enough circumstances to justify GAO for bringing this matter to our attention and the only criticism I have is they should have gone a little further and especially they should have confronted Mr. Young with the facts they had in their possession.

Mr. CELLER. Some men are good, but sometimes they get very careless. The w.o.c.'s have done some very strange things. For example, here is what a w.o.c. did when he was head of the Forest Products Division. He interviewed personnel for employment and made recommendations thereon to his company; worked on specifications with other Government agencies; assisted industry advisory committee considering Government specifications; carried on routine activities as Washington representative for his company; worked with other company employees to promote interests of his company with other Government agencies; contacted Members of Congress on matters the company was interested in. This w. o. c. performed services for his company, in that he supplied his company with confidential material from Government agencies; encouraged his company to put pressure on full-time Government employees who were his superiors with whom he disagreed; cleared recommendations he was making as a w. o. c. to the Government with his company; passed on recommendations concerning tax-amortization applications of competitors of his company; prepared for congressional committees adverse reports on new competitive processes for making products manufactured by his company; participated in reductions in force in Government agencies; prepared materials to be used by representatives of the Department of Commerce with respect to testimony before Congress.

While w. o. c.'s were in charge of the Pulp and Paper Division of the BDSA expansion costs for numerous pulp and paper products were vastly overcertified because some of the activities of this w. o. c. head of the Pulp and Paper Division. That is only one of the many illustrations I can give you, which indicates that we should use the utmost caution when we write any kind of legislation whereby we employ w. o. c.'s.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. BROWN of Georgia. We undertook to put safeguards around the very thing the gentleman is talking about, and I think if he will read it thoroughly you will be convinced that we have all proper safeguards around it. I am like the gentleman; I do not think we ought to get these dollar-a-year men if we can find them in Government, but sometimes we cannot.

Mr. CELLER. I agree that we must at this juncture employ w. o. c.'s. We must avail ourselves of the best possible talents, and it may be that we cannot obtain those talents from career employees. We should only use w. o. c.'s when a genuine search is made to obtain similar talent and ability from the vast array of Government-paid employees and same cannot be found. My only contention is that we must be most circumspect and careful in drafting legislation, and I congratulate the chairman and the members of the Committee on Banking and Currency in bringing out a good bill, and I will vote for it. I think in one respect it might be tightened up, in the interest of caution, and under the 5-minute rule I shall dwell upon that point. Again let me say to the gentleman from Georgia I think the members of his committee have done an excellent job in protecting the Government in the employment of these w. o. c.'s.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I will not take but a few minutes, because the hour is growing late. There is no doubt that the evidence adduced before our committee, as well as that adduced before the Judiciary Committee under the chairmanship of our distinguished colleague, the gentleman from New York [Mr. CELLER], shows that there have been very serious abuses, and such abuses are continuing today in our Government in the use of these w. o. c.'s. As part of my remarks, pursuant to permission granted to me in the House, I include a list of some of the w. o. c.'s who have been employed by this administration, showing what their affiliations are in industry, and how they are being used in government today, in a manner entirely inconsistent with the principles of good government. The list is as follows:

Name	Position in NPA–BDSA	Period of service	Company affiliation and position at time of duty
Pendleton, Ethon M	Director, Copper Division	Oct. 13, 1954, to Apr. 13, 1955	American Brass Co., Waterbury, Conn., vice president.
Perkins, George	Consultant	Apr. 14, 1955	Reynolds Metals Co., Louisville, Ky., general director, products and application.
	Director, Aluminum and Magnesium Division	July 22, 1954, to Jan. 27, 1955	
	Consultant	Jan. 28, 1955	
Peterson, George E	Director, Copper Division	Apr. 14, 1955	Simplex Wire & Cable Co., Cambridge, Mass., assistant to president. Retired as rear admiral after 30 years, 1954.
Rowlands, Willis L	Deputy Director, Containers and Pgy	Feb. 25, 1954, to Jan. 14, 1955	Continental Can Co., Inc., Wash., D. C., special representative.
Sebastian, Robert L	Consultant (aluminum and magnesium)	Sept. 20, 1954	Retired.
Setter, Clifford P	Consultant (forest products)	May 31, 1955	U. S. Plywood Corp., New York, vice president.
Thomas, William H	Director, General Industrial Equipment Division	do	Government Sales Air Products, Inc., manager.
Winston, Arthur W	Assistant Administrator	Jan. 4, 1955	Dow Chemical Co., Midland, Mich., assistant manager, magnesium department.
Wisner, Benjamin G	Chief, Carbon and Alloy Flat Rolled and Tubular Products Branch.	Mar. 29, 1955	Kaiser Steel Corp., Oakland, Calif., assistant manager tin plate sales.
Woodbury, Richard G	Adviser (scientific and technical equipment)	Apr. 6, 1954	American Optical Co., Southbridge, Mass., manager Government service bureau.
Wright, Clark M	Director, Electrical Equipment Division	May 17 to Nov. 30, 1954	General Electric Co., Schenectady, N. Y., manager marketing, gas turbine department.
	Consultant, Electrical Equipment Division	Dec. 1, 1954	

That information was supplied to our committee by the Secretary of Commerce, Mr. Weeks.

Look it over carefully.

I will have more to say about it tomorrow.

There is a direct conflict of interest between their work for our Government and their work on the outside for their employers in private industry.

I shall also insert in remarks at this point three amendments which I shall offer tomorrow under the 5-minute rule in an effort to strengthen the bill as reported out of the committee, in order to make it more workable and in order to compel these w. o. c.'s either to get out of the Government or to do the job for the Government that they undertake to do when they do come here. They must be prohibited from pretending to act for the Government in connection with this very important work, while merely promoting their own interests and that of their employers. The amendments are as follows:

Amendment offered by Mr. MULTER to H. R. 7470: Page 5, line 19, strike out the period in line 19, and insert the following: "and appointments under this subsection (b) shall not be made to the position of the director or assistant director, head or assistant head of a bureau, division, section, or other comparable policymaking or administrative position, and a person appointed under this subsection shall not perform the functions of such a director, assistant director, head or assistant head."

Amendment offered by Mr. MULTER to H. R. 7470: Page 8, after line 4, insert the following:

"(9) Appointees under this subsection (b) shall be assigned only to duties with regard to functions specifically authorized by titles I, III, and VII of this act."

Amendment offered by Mr. MULTER to H. R. 7470: Page 8, after line 4, insert the following:

"(10) Before any appointment is made under this subsection (b) the appointing official shall first certify to the Civil Service Commission the duties to be performed by such appointee and the efforts he has made to obtain a person competent to perform them and that he has been unable to employ any competent full-time salaried Government employee to perform such duties and the Civil Service Commission shall certify that there is no existing list of persons qualified to perform such duties and the President shall certify that the appointment is necessary to carry out the purposes of this act as amended and extended. The duties of the appointee shall be limited to those set forth in the certification of the appointing official."

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, I have no requests for time, but would like to propound an inquiry of the gentleman from Kentucky [Mr. SPENCE].

Is it the gentleman's thought that we should rise after the Clerk reads the first section of the bill?

Mr. SPENCE. That is my thought; yes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Defense Production Act Amendments of 1955."

Mr. SPENCE. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SHEPPARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended, had come to no resolution thereon.

VICTOR HELFENBEIN

Mr. LANE submitted the following conference report and statement on the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein:

CONFERENCE REPORT (H. REPT. No. 1584)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

Strike out the matter proposed to be stricken out by the amendment of the Senate, insert the matter proposed to be inserted by the amendment of the Senate, and on page 1, line 6, of the House engrossed bill strike out "$6,500" and insert in lieu thereof "$5,000"; and the Senate agree to the same.

THOMAS J. LANE,
CHARLES A. BOYLE,
WILLIAM E. MILLER,
Managers on the Part of the House.

HARLEY M. KILGORE,
JOHN L. MCCLELLAN,
PRICE DANIEL,
HERMAN WELKER,
JOHN MARSHALL BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5078) for the relief of the estate of Victor Helfenbein, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as passed by the House would permit the payment of attorney fees not to exceed 10 percent. The Senate amended the bill by striking out this provision and stated that no attorney or agent shall receive any part of the appropriation in this act. In the conference the House conferees agreed to the Senate amendment.

As passed by the House, the bill provided authorization for $6,500 to be paid the estate of Victor Helfenbein. The Senate reduced this amount to $3,500. At the conference the amount agreed upon was $5,000.

THOMAS J. LANE,
CHARLES A. BOYLE,
WILLIAM E. MILLER,
Managers on the Part of the House.

MRS. LORENZA O'MALLEY (DE AMUSATEGUI) ET AL.

Mr. LANE submitted the following conference report and statement on the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley.

CONFERENCE REPORT (H. REPT. No. 1003)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment, and that the House agree to the same.

THOMAS J. LANE,
E. L. FORRESTER,
WILLIAM E. MILLER,
Managers on the Part of the House.

HARLEY M. KILGORE,
JOHN L. MCCLELLAN,
PRICE DANIEL,
HERMAN WELKER,
JOHN M. BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1003) for the relief of Mrs. Lorenza O'Malley (de Amusategui), Maria de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as passed the House would permit the payment of attorney fees not in excess of 10 percent. The Senate amended the bill striking out this provision and stated that no part of the appropriation in this act shall be paid to any attorney or agent. At the conference the Senate receded from its amendment.

THOMAS J. LANE,
E. L. FORRESTER,
WILLIAM E. MILLER,
Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to expunge from the RECORD of yesterday a statement in my name commencing at page 10325, and that I may be permitted to extend my remarks in the body of the RECORD on the same subject tomorrow, and to include therein certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. HAND. Mr. Speaker, on Rollcall No. 141, on final passage of the housing bill, I was in the chamber at the conclusion of the rollcall, but not in time to qualify to vote. Had I been allowed to do so, I would have voted for the bill.

SPECIAL ORDER VACATED

Mr. HAND. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

38. INTERGOVERNMENTAL RELATIONS. Sen. Butler inserted a newspaper article favoring Federal collaboration with State and local governments (p. A5627).

39. COOPERATIVES; TAXATION. Rep. Cooper inserted a letter from the Secretary of the Treasury suggesting that the legislation on income taxation of cooperatives be tightened (pp. A5632-3).

40. ELECTRIFICATION. Sen. Bender inserted an address by J. B. Black favoring a Government-private "partnership" in the power development of the West (pp. A5636-8).

BILLS INTRODUCED - July 29

41. CLAIMS; APPROPRIATIONS. S. 2678, by Sen. Smith, N. J., "relating to the payment of certain claims against the Government where the appropriations therefor have lapsed"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).

42. MARKETING. S. 2634, by Sen. Ellender, "to facilitate the marketing of agricultural commodities"; to Agriculture and Forestry Committee (p. 10341).

43. ACCOUNTING. S. 2677, by Sen. Smith, N. J., "to relieve certain officers of financial liability except in cases of gross negligence or fraud"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).

44. ROADS. H. R. 7729, by Rep. Dempsey, to authorize road appropriations; to Public Works Committee (p. 10466).

45. LAND TRANSFER. H. R. 7723, to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; to Agriculture Committee (p. 10466).

46. CONSERVATION. H. J. Res. 415-425, to provide for observance of the 50th anniversary of the founding of the conservation movement for natural resources; to Judiciary Committee (p. 10467).

47. PERSONNEL. H. J. Res. 426, by Rep. Moss, to authorize the President to proclaim as Civil Service Week the week beginning Jan. 17, 1956, in commemoration of the 73rd anniversary of the American civil-service system; to Judiciary Committee (p. 10467).

HOUSE - July 30

48. SOIL CONSERVATION. Passed without amendment S. 1167, to permit ACP payments to persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining private lands of such persons (p. 10589). This bill will now be sent to the President.

Passed without amendment H. R. 7236, to permit approval of water conservation practices under ACP in any State instead of "in arid or semiarid sections" (p. 10592).

49. MARKETING. Passed with amendments H. R. 5337, to amend the Perishable Agricultural Commodities Act so as to strengthen the provisions relating to misbranding or misrepresentation of grade and origin of fresh fruits and vegetables, increase the maximum annual license fee from the present $15 per year to $25, permit the Secretary of Agriculture to deny issuance of a license to any person convicted of a felony in any State or Federal court, authorize the Secretary to

deny a license to any applicant who has been involved in bankruptcy proceedings within 3 years unless the applicant furnishes a bond or other assurance, empower the Secretary to suspend the license of a person who employs in any responsible position an individual whose license is under suspension, and provide authority for the inspection of any perishable commodity covered by the Act (pp. 10590-1).

Passed as reported S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10607).

The Agriculture Committee reported without amendment H. R. 4054, to provide for loans for development of central market facilities to handle perishable agricultural commodities (H. Rept. 1602)(p. 10677).

50. FARM LOANS. Passed without amendment S. 1758, to amend the Bankhead-Jones Farm Tenant Act relating to the insurance of farm real estate mortgages so the mortgages can be made directly to the Government instead of to the banks (pp. 10593-4). This bill will now be sent to the President.

Passed as reported S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10655).

51. RESEARCH. Passed as reported S. 1759, to consolidate authorization legislation regarding Federal aid to State agricultural experiment stations (pp. 10594-6).

52. COMMODITY EXCHANGES. Passed without amendment S. 1051, to amend the Commodity Exchange Act so as to authorize increases in fees and charges for registrations and renewals and for copies of registration certificates (p. 10601). This bill will now be sent to the President.

53. TRADE DEVELOPMENT. Passed without amendment S. 2253, to reemphasize trade development as the primary purpose of title I of Public Law 480, 83d Congress; to increase the funds available under that title from $700 million to $1.5 billion; and to authorize the Secretary of Agriculture to determine the nation with whom agreements will be negotiated, and the quantities and commodities involved (pp. 10601-2). This bill will now be sent to the President.

54. EXTENSION WORK. Passed as reported S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10612-13).

55. DEFENSE PRODUCTION. Passed with amendment S. 2391, to amend and extend the Defense Production Act. Several amendments, to prohibit without-compensation employees, were rejected. House and Senate conferees were appointed. (pp. 10620-30, 10774-5).

56. SUGAR. Passed, 194 to 44, with amendments H. R. 7030, to amend and extend the Sugar Act of 1948 (pp. 10630-51). Agreed, 123-37, to an amendment by Rep. Dixon to strike out Sec. 20 of the committee version, which provides that sugar shall be supported at 90% of parity through loans, purchases, or other operations (pp. 10645-51). Agreed to an amendment by Rep. Laird to strike out provisions directed at Peru and the Philippines (pp. 10644-5).

57. SUPPLEMENTAL APPROPRIATION BILL , 1956. Both Houses agreed to the conference report on this bill, H. R. 7278, and acted upon amendments in disagreement (pp. 10554-9, 10733-5). This bill will now be sent to the President. A statement on the USDA items is attached to this Digest.

ever practices it. Centralization is evil because it is essentially inhuman. It impersonalizes, disregards the individual and undertakes by remote regulation to control human situations which it never sees, feels, nor understands. Any vaunted "efficiency" which it claims can be attained only at the cost and sacrifice of human values."

On page 53:

"Centralization of power and authority elsewhere whether political or economic always takes from the individual something of strength and character which is vital to his existence as a self-reliant, freeman. It is basically un-American regardless of the form of the transfer. Any kind of remote control amounts to slavery or subordination which must always be repugnant to those for whom liberty is the very breath of life itself. Those who lose their freedom lose what is strongest and noblest in them."

On page 54:

"Let Americans serve notice upon the separate groups, upon unionists, farm blocs, employers, social planners, and all of the ism adherents, that if there actually had to be any all-powerful, all-controlling factor in this country why, of course, we much prefer that it be a strong Government, responsible to all of the people. For at least we still have a vote, all of us, in determining its personnel and conduct and we all have a Constitution to protect the rights of minorities and keep our national train on its all-for-one and one-for-all track. All other group rulership is lawless because it represents only its selfish interest and is therefore intolerable to the people as a whole."

On page 57:

"In this book I am primarily interested in pointing the way through a new American decentralization and teamwork toward the objectives which we can and must meet without trying to blueprint the future. We must not expect to have a world or a society that is much better than the people in it, and better people is the first hurdle, as Justice Holmes explained years ago. But the people we have are generally better than we think they are. One of the great difficulties is that the very best of them are not the acquisitive, aggressive, selfish, praise-loving, power-seeking people so often found in many political and economic high places. In the very nature of our limited competition those whom society so noisily rewards for pushing their way into notice and position often stand consciously or unconsciously in the way of progress. Had they been more considerate and generous they might never have attained this eminence. The cause of the greatest number may have to be advanced in spite of some of them."

All of this, representing the heart of what I undertook to say, is entirely consistent with everything I have ever said and still believe. In this same old book I also went on to show that unrestricted competition will not work to the best interests of society.

On page 87:

"In passing, I must point a finger of moral and social disapproval at those corporations which, having established themselves in some one industrial field, take advantage of their financial positions to move into unrelated lines, where they contribute nothing and often cut prices ruinously. The wanton, adroit method is to go after the cream or easy picking in the other field. Thus the position gained in one industrial line enables a large competitor to become a destructive raider in another."

In order to understand my writings on the problems raised by giant business firms, it is important to recognize the difference between a $10 million, $100 million, and billion or multibillion dollar business. I have never opposed necessary big business. A corporation can be a national asset and still be dangerous. Up to a point, size is essential to genuine efficiency and I say so in several of Mr. REECE'S selections. There are indeed techniques of production that require a certain minimum volume. Bigness does make for efficiency—up to a point. But this does not begin to justify United States Steel's combination of 149 other corporations. It does not justify $10 billion General Motors being in the clothes washing machine business or General Electric's ownership of a steel mill among some 90 other corporations. Nor does it justify outright, financial monsterism arranged solely for purposes of capital power and market domination contrary to every tenet of American economic freedom and opportunity.

I do now and always have favored constructive competition of the kind which the giants are now throttling. But not all competition is constructive. Without fair and reasonable governmental restrictions—which he opposes—competition can lead to the elimination of all but a few giants. Do we need anything more than a mere reference to the automobile industry to prove the point? There are only 5 producers left and 2 of them are in mortal danger. Competition is not a god. The Government should act to prevent the bankruptcy of American Motors and Studebaker-Packard when the time comes.

It becomes just a little more difficult to understand that monopoly, on the other hand, is also intolerable. Thus unrestricted competition and monopoly have a polarity. In large areas of our economy price competition has been eliminated, along with free enterprise and open opportunity. Mr. Benjamin Fairless admitted to the Senate, Fulbright committee this year that there is no price competition in the steel industry. After the recent wage increases the price of steel was increased by $7.50 a ton and by all of the producers. No one announced a $7 increase or a $7.25 increase but an identical $7.50 increase by all, in unison. Similar price conditions prevail in many other industries which have crowded free enterprise and even constructive competition to the wall. What we actually have in America today is not a system of free enterprise as is so often misrepresented. We have a partially managed and partially free economy.

With respect to certain other allegations, I should explain that efficiency has a narrow and also a broad social meaning. What is good for General Motors may be bad for the country, Mr. Wilson to the contrary notwithstanding. It does not answer my assertion that General Motors used its power to secure more than its share of postwar steel, for example, by presenting figures that in the years from 1946 to 1950—years of steel shortage—General Motors increased its share of the passenger car market from 38 percent to 46 percent. That is precisely my point. The corporation was not only able to increase its proportion of automobile passenger business, but also its other metal production business, in many instances to the disaster of its helpless rivals. It has loaned millions to preempt steel supplies.

Broadly, giant business has not shouldered its social responsibility since the war. Instead, it has fought minimum hours and fair wages—purchasing power—social security, intelligent planning, and in fact, most of the progressive measures. At the same time it opposed all price controls and in many instances exacts enormous profits. I should say now that it must pay in taxes for what it has by default required the Government to undertake. Largely through the expansion of private and public credit, business has kept booming and will, but for how long we do not know. These are new conditions subsequent to my early book. My viewpoint here has changed with new developments. I still believe that a man of outstanding ability has a greater potential in a big business or a big county then in a small one, thinking only in terms of business, and provided you can find him and help him to develop. But in monster corporations he is lost. Moreover, the constant absorptions and mergers by giant corporations, particularly since the war and in the past 3 years, is decreasing proportionately the number of top jobs so that today even college graduates and white-collar men can look forward only to subordinate positions—see my new October 1955 book, Reign of the Painted White Elephants.

I have always believed that giant corporations should not be broken up "regardless of manufacturing costs and efficiencies." On the other hand, giant corporations are not always organized today wholly on the basis of efficiency; nor do I believe, as the gentleman from Tennessee [Mr. REECE] seems to argue, that the antitrust laws have been effective. I would have to say, "Look around you at the giant mergers and combinations and the combinations of combinations which both the Sherman law and the Clayton Act were intended to prevent. How many mergers are being prevented today under the present undeclared open season?" There have been thousands of them in the industrial field, and the banks have so merged that today only 10 of them have 46 percent of the total deposits. Giant corporations are reaching out in all directions for purely market power, excessive profits, and dominating capital positions, and they have entirely too much political as well as economic power.

Sincerely yours,

T. K. QUINN.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7278) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 3, 22, 23, 25, 27, 31, 33, 35, 56, 75, 76, 84, 93, 104, 109, 116, and 123, to the above-entitled bill.

The message also announced that the Senate recedes from its amendment No. 62.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2576. An act to amend the joint resolution entitled "Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes," approved January 14, 1933, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2260. An act granting the consent of Congress to the States or Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 4048) entitled "An act making recommendations to the States

for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GREEN, Mr. GORE, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2391) entitled "An act to amend the Defense Production Act of 1950, as amended, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. DOUGLAS, Mr. MORSE, Mr. CAPEHART, and Mr. BRICKER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 100) entitled "An act to permit the mining development, and utilization of the mineral resources of all public lands witdrawn or reserved for power development, and for other purposes."

AMENDING THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7470, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on yesterday, the Clerk had read section 1 of the bill. If there are no amendments to this section the Clerk will read:

The Clerk read as follows:

SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided*, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: *"Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts or which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of 2 years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"(8) At least once every 3 months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 4, line 7, strike out line 7 and all that follows down to line 4 on page 8 and insert: "SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is hereby repealed.

TO PREVENT W. O. C. EMPLOYEES

Mr. PATMAN. This amendment really means that we shall not have any w. o. c.'s, that is, employees of the Government serving without compensation. It strikes out the section which makes that possible. The discussion yesterday is in the RECORD this morning, and I do not think it is necessary to take up too much time because the issue is well known and, I believe, the Members have their minds pretty well made up. This is an attempt to perpetuate in a time of peace something that we have never heretofore allowed except in time of war. I am in accord with the policy of the Government that during a war or great national emergency, when patriotism is the first consideration, it is all right for us to call in people who are representing great corporations with a particular know-how to advise with them. In time of war that is all right. But in time of peace, it could amount to permitting the Government to be used as a vehicle for private business and private concerns when it permits people with a conflict of interest to serve in a governmental capacity and at the same time receive pay from their employers.

SERVE TWO MASTERS

The question is which one would the employee serve more faithfully and loyally, the Government of the United States, from whom he is receiving nothing, or his private employer, to whom he is greatly obligated? This private employer over the years has been good to his employee; the employee's future is wrapped up in his employer. Now, which is he going to serve? You know it is awfully hard for a person to serve 2 masters, yet this permits a person to serve 2 masters—the Government and his private employer—when the Government pays him nothing and the private employer pays him a good salary.

I do not think it should be permitted in time of peace. If we were to permit this bill to become law like it is, it would be the first time in the history of this Republic, commencing in 1789, when we have ever permitted people to serve without pay during time of peace and serve their private employer at the same time.

So this is attempting to perpetuate a new policy; it is in violation of all our traditions of the past. I do not think we should undertake it. If we need people with certain qualifications and experience, the Government in time of peace, we should be able to obtain and pay career employees who could do this type of work and should not rely upon private business in time of peace.

But you know it will be contended that this is a national emergency, that this bill carries a national emergency. I contend it does not, because if it involved a national emergency it would carry more powers. In a national emergency it would carry standby authority to the President to invoke price controls, wage controls, allocations, allotments, and everything like that which normally goes along with a great national emergency or war.

This bill does not carry any such provision as that; therefore, it cannot be said that it is meeting a great national emergency, because it is not; it does not carry normal standby powers for a national emergency, and I ask you to consider this. I know each Member has his own views, and I am not capable of changing anyone's mind; I am not attempting to, but I do hope you seriously consider this one fact. If you pass this bill like it is even by attempting to place limitations and restrictions upon it, that still will not get the job done. If you pass it like it is you are commencing for the first time in the history of this Republic a new policy, that of letting people serve in the Government and have a conflict of interests by serving private employers at the same time.

I hope you strike this out.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, the gentleman from Texas [Mr. PATMAN] states that he would be for some of the dollar-a-year men if it were in time of war or great national emergency. He admits the need under those circumstances. Are we not in great national emergency now? We are spending $40 billion a year in preparation for peace or for war. This is certainly convincing evidence that we are in a national emergency.

The Director, Dr. Flemming, said there is a national emergency. If there is no national emergency, why do we want this bill at all?

We will never be caught as we were before World War I and World War II. We are going to be ready to fight and we are going to stay ready to fight always.

The man who administers the act says: Give me the tools for me to do the job. We have certain specialists in private enterprise that we do not have in Government, and we need them. We cannot find substitutes for them. Are we going to fail to give him those men? I thought we were satisfied in the committee after we adopted this amendment that I offered which gives all the safeguards necessary to protect the Government. I though we had satisfied the gentleman from Texas [Mr. PATMAN]. We put all the safeguard that we possibly could put around this so that there will be no further abuse along these lines.

When ex-President Truman was Senator, he was chairman of an investigating committee of the other body. At that time he wanted to do away with the dollar-a-year men. After he became President of the United States he changed his mind because he could not find certain specialists in Government and had to go to private enterprise for them.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that he changed his mind during the war, right after the Korean War started?

Mr. BROWN of Georgia. That may be true, but he changed his mind on account of a national emergency like this is and it is a national emergency as long as you are spending $40 billion a year for preparation for national defense.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from California.

Mr. JOHNSON of California. I have observed the gentleman a good many years and I believe that what he says is his firm conviction. Is it the gentleman's conviction that the patriotic impulse of these men to serve the Government in time of need would overcome the temptation to take money or influence on the side?

Mr. BROWN of Georgia. The gentleman is correct. You cannot get men with certain specialized training and experience who are receiving large salaries, $40,000 or $50,000 a year, to come into the Government for just a few months at small salaries.

We put all the safeguards in this bill we could in order to get good men and I do not see how anyone can oppose it.

Let me read what the safeguards are. President Truman issued an order after he became President of the United States placing safeguards around dollar-a-year appointments. That was an Executive order that was issued. Now for the first time we are putting it in this bill. That is not the only curb we have. Let me read some of the others.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the curb that he imposed was during wartimes? If those curbs were necessary in time of war should we not have additional curbs away beyond what we have, if at all?

Mr. BROWN of Georgia. We are doing more today getting ready for peace or for war than we ever did during the time the fighting was going on.

This Executive Order 10182 issued by the President and other pertinent restrictions are included in the bill. This is the first time that the Truman order has been made law.

Section 4 (1) limits the role of w. o. c. personnel when policy matters are involved to advising appropriate full-time salaried officials who are responsible for making policy decisions.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent (at the request of Mr. BROWN of Georgia) Mr. BROWN of Georgia was permitted to proceed for 5 additional minutes.)

Mr. BROWN of Georgia. Mr. Chairman, these dollar-a-year men cannot make policy. They can only advise.

Section 4 (2) requires every appointee to file under oath with the head of his employing agency at the time of his employment a full and complete report of his outside connections, listing all personal and financial relationships which he has at that time, or has had within 12 months prior to his appointment, with any person, firm, corporation, or other entity, or any trade organization, labor union, or similar organization. The appointee would also be required to file monthly thereafter, under oath, during the period of his appointment any changes in his outside connections and (3) requires the Chairman of the Civil Service Commission to file with the Joint Committee on Defense Production the findings of his quarterly surveys of w. o. c. appointments together with his recommendations with respect thereto. I believe these provisions will provide adequate safeguards against any future abuse.

At present there is a relatively small number of w. o. c.'s on the Government's rolls, but they are rendering important service to the mobilization program. The use of section 710 to provide the Government with the services of high-caliber men during the present emergency has been highly successful and should be continued. The termination of this authority would be a grave blow to national defense. I strongly urge that the House will follow the recommendations of its Committee on Banking and Currency in regard to w. o. c.'s.

In some instances men with good qualification are found in the Government career service, but in others they are available only in private life—in industrial concerns, labor unions, universities, and the various professions. Many of them are financially able to accept Government employment on civil-service salaries, but others are economically committed to an extent that would not permit so great a reduction in their income. As you know the salaries of Government executives are not generally on a par with those of private enterprise. Under such circumstances the experience of that type of person can be obtained only if he can be appointed without compensation and can continue to receive his salary from private sources. Men from private life appointed on a w. o. c. basis, or its equivalent World War II basis of $1 a year, have rendered outstanding services during periods of mobilization—essential services which could not be obtained in a comparable degree by any other means.

Now, Mr. Chairman, we think we have placed all the safeguards that are necessary to protect the Government from any abuses by the w. o. c.'s. We know that Mr. Flemming cannot do a good job in carrying out the intention of Congress without some of these specialists from private enterprise, since he cannot get them from Government. And he will not secure any from private enterprise if he can find qualified men in Government.

I certainly hope you will vote down this amendment by my esteemed friend from Texas.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this particular amendment does raise a very important question and one that deserves the most serious consideration of the Members of this House. I have considerable sympathy with what the gentleman from Texas said in his remarks. He has pointed out some points which we should and must consider. It is not easy; it is difficult. I have not thought too highly of every dollar-a-year man in the past working for the Government, whether in time of peace or in war, and I think we should exercise great caution and restraint and sound judgment before smearing or condemning some of the men who have been unjustly accused and smeared even by some of the Government agencies in days gone by and particularly at the present time.

In yesterday's Washington Daily News there was an article by Peter Edson entitled "How Much Patriotism? How Much Profit?" It poses this question of how we can get top-grade executives, men of long and successful business experience, to serve their Government in times of great emergency, of war. I think we all have to agree, too, that it would be much easier for a man to serve unselfishly out of pure patriotism and without any hope of reward or profit in time of war than in time of peace. Today we are neither in war nor peace, which makes our decision all the more difficult.

In this article of yesterday by Peter Edson he says, after citing several cases that have been brought to the public's attention:

Still another mixup has now come to light in a case going back to the Truman administration. It is revealed by Senator JOHN J. WILLIAMS, Republican, Delaware, and Comptroller General Joseph Campbell.

They charge that the Government lost $325,000 on a zinc-supply contract for the defense stockpile. The contract was with Mid-Continent Supply Co., of St. Paul. It was made by former General Services Administrator Jess Larson on recommendation of Howard I. Young, his dollar-a-year metals adviser, who was also president of American Zinc, Lead & Smelting Co., St. Louis.

The Mid-Continent zinc was to be refined by American Zinc Co., of Illinois, a subsidiary of the St. Louis company in which Mr. Young's son, R. A. Young, was vice president.

Comptroller General Campbell has suggested a possible conflict of interest in this case, though both Larson and the Youngs deny there was anything wrong, and say it was all in the national interest.

I agree completely with the gentleman from Texas [Mr. PATMAN] that no man can serve two masters. We cannot serve God and Mammon. I want to assure the Members of this House that the only God served in this particular instance is the Father of us all, and not Mr. Young's company or any other company in which he has a selfish interest. His mind, heart, and hands are clean and there are no fears as to the outcome. It is not only indiscreet but positively wicked to charge a great patriot who has given so unselfishly of his time, money, and effort to serve our country in a time of crisis.

Mr. Speaker, let us not drive away the biggest brains, the best hearts, and greatest patriots from the service of our country in time of need.

I want to say to the Members of this House that I have known Howard I. Young for 30 years. He is one of the finest Christian gentlemen, of unimpeachable integrity, absolute honesty, and pure patriotism that I have ever known. He enjoys the highest confidence, the greatest trust and respect, not only of his associates in the mining industry but of all the people, regardless of religion or politics, down in the 7th Congressional District which I have the honor to represent and in which Mr. Young was lucky enough to be born. He comes from Stotts City and Joplin, Mo., and at the present time lives in the city of St. Louis.

After these wild and reckless charges were made by the agency of this Congress, not by the Executive Department, but by the Comptroller General's Office, after hearings were held and the story was told—and the report should never have been made until the facts were known in advance—I was happy to read in yesterday afternoon's edition of the Washington Star this article on the front page: "United States Retracts Accusation Against $1-a-Year Man."

This is by the Associated Press and, as I said, on the front page of the Star of yesterday afternoon. I think this is very important:

The Office of Controller General Joseph Campbell says it was wrong in two accusations of wrongdoing against Howard I. Young, a Government dollar-a-year man in 1951–2, and was dropping them.

Mr. Young is president of American Zinc, Lead and Smelter Co., or St. Louis. He retained his position with the company when he was an official in the Defense Materials Procurement Agency during the Truman administration.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. SHORT], has expired.

(By unanimous consent, Mr. SHORT was allowed to proceed for 5 additional minutes.)

Mr. SHORT—

Allegations of 'conflict of interest' in Mr. Young's handling of some zinc contracts during his time with the DMPA were made by Mr. Campbell July 7. The Senate-House Defense Production Committee conducted an inquiry. Yesterday, the committee made public testimony taken the day before behind closed doors in which Mr. Campbell's office said two of its charges against Mr. Young were based on wrong information.

The charges weer that Mr. Young's firm sold $60,000 worth of machinery to the Mid-Continent Mining Co. after Mr. Young helped to promote a DMPA loan to Mid-Continent—

Which is untrue—

and that Mr. Young's firm sold 1,167 tons of zinc to the stockpile at a price 1½ cents a pound above the market price.

That is also untrue. We do not have all the evidence. Even so times and conditions change.

The transcript of the committee meeting quoted Frank H. Weitzel, assistant controller general—

Who is taking the rap for his superiors for the serious mistake made—

as testifying that "we admit we were wrong" and that the controller general was dropping the accusations.

The transcript also quoted Mr. Young's lawyer, John F. Lane, as accusing the Gen-

eral Accounting Office, which Mr. Campbell heads, of bias and prejudice against his client.

Mr. Young has said in sworn testimony before the committee that he never made any money for himself or his firm from Government contracts which he had handled.

The committee did not say what steps it might take next.

But I hope they will follow the recommendation made by Mr. Young's attorney:

1. That we be relieved of any further obligation to this committee to discuss the GAO report with the GAO.

2. That the committee direct the Comptroller General to withdraw all copies of his report on the grounds that its erroneous, misleading inferences, inaccuracies and lack of completeness fully warrant the conclusion that it should not have been issued in the first place.

3. That this committee suggest to the Comptroller General that an apology to Mr. Young now appears to be entirely in order.

Mr. Chairman, a grievous wrong has been done to a great and good man, a loyal and patriotic American. Oh, yes, they drove the nail in the wall and now they are pulling the nail out, but the hole is still in the wall. That has caused this man unjust criticism and caused his lovely wife and two fine sons much mental anguish and physical suffering by false accusation without any foundation in fact whatever. Retraction can never catch up with accusation. Where is our great ethical press? So I think we should exercise great caution and restraint and judgment before we file or hurl unfounded charges.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. I am not as well acquainted with Mr. Young as is the gentleman, but I do have faith in the gentleman from Missouri, and I do know Jesse Larson who was the boss of this man. There is no more able and conscientious public servant than Jesse Larson. He was a No. 1 public servant during that time. I want to compliment the gentleman.

Mr. SHORT. I thank the gentleman from Oklahoma and I join him in his high regard for Jesse Larson. He was a fine, faithful, and loyal public servant. Howard Young has told me that there is no finer nor abler man than Jesse Larson. And Jesse Larson had the courage, fairness, and the honesty to go before this committee and say that if any mistakes were made it was his fault and not that of Howard Young. To point the finger of suspicion at this good man is a dastardly thing to do unless men are well informed before they hurl these reckless and irresponsible charges.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. JUDD. I do not know Mr. Young personally, but not only was he libeled and his good name blackened in this GAO report, but other people were also involved. One firm against which charges were made was the Midcontinent Mining Co., whose headquarters happens to be in St. Paul. That is not in my district, but I know some of its officers and have same familiarity with this whole case. The GAO report suggested that in return for the recommendation of Mr. Young a loan be granted to that company, it would have its zinc ore processed in Mr. Young's smelter in St. Louis. Now, where else would zinc ore mined in the gentleman's part of the oountry, Missouri, go to be refined except to St. Louis? Whoever prepared the GAO report took certain facts which were not cause and effect and insinuated they were. Some of the statements made as facts were easily demonstrable not to be facts. GAO recklessly destroyed the good name of American citizens. When that can happen, there ought to be an investigation of the General Accounting Office. And I trust, Mr. Chairman, that the Member of the other body who spread this libelous report on the official pages of the Congress, will ask to have it expunged from the permanent RECORD.

Mr. SHORT. The investigators should be investigated. I am not mad at anybody. I want to live peaceably with all men. I am easy to get along with. But I can fight; and I never run away from one. Howard Young is my friend. More important he is a good American who unselfishly serves his country. Even the Democrats know it and that seals the book. Do not smear him nor cause his wife and sons to suffer this unjustified mental anguish and physical torture. It is a blemish upon us and not them.

Mr. Speaker, the following editorial appeared in the Joplin Globe of Sunday, July 24, 1955:

THE CASE OF HOWARD I. YOUNG

People in this district naturally have been interested in recent publicity concerning Howard I. Young, president of the American Zinc, Lead, and Smelting Co. He is a product of this district, sharing with Alton Jones, head of Cities Service, the honor of being our finest examples of small town boys who made good in the city.

Starting as a clerk with the important company he has now headed for so long, Howard Young has received almost every honor the American mining industry could offer, including the presidency of the American Mining Congress, a position he still holds.

It is understandable that a man who has received such convincing evidence of the trust of the leaders of his profession as to his ability, honesty and integrity should have been astounded to pick up the newspapers recently and discover that a United States Senator, WILLIAMS, of Delaware, had made a speech in the Senate in which he reported that the head of the General Accounting Office of the United States suspected, Young, of misconduct while acting as the nonsalaried Deputy Administrator of the Defense Materials Procurement Agency from 1951 to 1953.

The amazing thing is that such a charge should have been made and publicized without giving Young a change to present his side of the matter. There is no room here to print the multitudinous details of the case as it progressed, including sizzling castigation of Senator WILLIAMS on the Senate floor by Senator CAPEHART, of Indiana, for what he termed "character assassination" before hearing from the person accused. Suffice it to say that Young immediately asked for and did present his side of the case and that after he had done so it was obvious the charges were completely unreasonable and unfair.

In 1951, shortly after Young's appointment to the position with the Government as a dollar-a-year assistant, he visited this district and addressed mine operators in Joplin. Here is a brief excerpt from an editorial in this column following this visit:

"If district mining men had hoped a plan for generous subsidy of local mining operations would be announced for the DMPA by Deputy Administrator Howard I. Young, in his address here Friday night, they were disappointed. He made no such announcement. The best he had to say was that the matter of encouraging increased production is being studied and that he will do what he can, consistent with the best interest of the Nation at large, to promote the interest of the mining industry here and elsewhere in the country.

"Howard Young is one of the most capable and highly honored men of the Nation in the mining industry. In addition, he is a 100 percent American, earnestly devoted to the task in which he now has an important part—that of allocating critical mineral resources for America and the free world. It is encouraging to feel and believe that there are many men of similar high repute and sterling character engaged in cooperating for the Nation's safety and protection."

We reiterate this sentiment today. But it is self-evident that Uncle Sam will find it harder and harder to get capable business leaders to cooperate in Government operation if they are to be maligned without cause and without a chance to tell their story before absurd charges are given general publicity. It is a procedure idiotic on its face and unqualifiedly condemnable.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

(Mr. HIESTAND (by unanimous consent) was permitted to yield the time allotted to him to Mr. WOLCOTT.)

Mr. WOLCOTT. Mr. Chairman, as has been so ably and well said by the gentleman from Georgia [Mr. BROWN], although we are not in a war the whole concept of the Defense Production Act is predicated on preparation for possible conflict. Were it not for the threat to the free democracies of the world today by potential enemies there would be no justification for continuing the Defense Production Act in any particular. So long as there is a clashing of political ideologies between the East and West, then we must keep ourselves in a position of preparedness, which we are doing. That, of course, involves and calls for some advice on the part of those who know what it is all about. We are still producing for a stockpile of strategic and critical materials, and it is absolutely essential that under this act we bring into the Government the people who are familiar with the production and distribution of these critical materials. Mention was made by the gentleman from Georgia of an Executive order promulgated by President Truman in 1950, Executive Order 10182, which is still in force and

effect. It is a workable order and ties in with this problem of those who are employed without compensation. The purpose of that Executive order was to throw certain safeguards around this employment. It is a workable order. Now the substance of this Executive order for the first time has been written into the law so that unless the law is changed some time in the future, we always will have these standards under which these dollar-a-year men have had to work since 1950. The major change from that is an addition, which at the suggestion of the Department of the Interior, your Committee on Banking and Currency wrote into the act. It is found on page 5 wherein it provides that—

(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

That is an addition to the Executive order which has been in full force and effect since 1950. In other words, when these dollar-a-year men come in to aid with this problem of producing and allocating the materials for the stockpile, they come in as advisors. I think all the safeguards we should write into the act have been written in. I am certain, or anyway I am hopeful, that the gentleman's amendment will be defeated.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McDONOUGH. The gentleman from Texas stated to the committee a moment ago that we should not have these w. o. c. men unless we are in a national emergency. As I recall, the other day the Speaker of the House asked the Attorney General for a ruling as to whether we were in a national emergency to determine whether the House should adjourn on the 31st of July, and the Attorney General said that we are in a national emergency and, therefore, any action after the 31st of July is legal action on the part of this Congress. So I point out we are in a national emergency.

Mr. MULTER. Mr. Chairman, I also have the highest regard for Jess Larsen. I do not know the gentleman, Mr. Young, who has been mentioned here, but I have no reason to disbelieve anything that has been said by our colleagues about him and his high repute.

However, let us get the record straight. Our Banking and Currency Committee of the House considered this matter in executive session, and our committee has released nothing with reference to these charges. As to what has been done in the other body, I must quote to you now, and this comes directly from the ticker tape:

WASHINGTON.—The General Accounting Office said today it had only reworded—not withdrawn—its charge that the Government bought zinc above market prices from a firm headed by Howard I. Young while he was a Government official.

Young, of St. Louis, president of the American Zinc, Lead & Smelting Co., was a dollar-a-year official in the Defense Materials Procurement Agency from 1951 to 1953 while still drawing his regular pay from the company.

The GAO said its charge that American Zinc sold 1,167 tons of zinc to the Government stockpiling program in 1952 at a price of 1½ cents above the market price still stands. It denied that testimony made public Thursday constituted a withdrawal of its earlier statement.

This charge must be aired in the proper place. The floor of the House is not the proper tribunal in which to try anyone. I make no charges, but I do say that this matter does indicate the need for strengthening this bill with reference to employing w. o. c.'s.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. HIESTAND. Was not the gentleman from New York instrumental in committee in putting these safeguards in the bill?

Mr. MULTER. The committee did not accept all of my suggestions on the subject. I intend to offer other amendments on today. You will recall that two of my amendments were rejected by a very close division.

When it comes to extending the employment of these w. o. c.'s outside of defense procurement we are extending this bill too far. The bill is a bad bill unless it is going to limit these w. o. c.'s as to their activities. I do not think the bill goes far enough on that score.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. SPENCE. Mr. Chairman, I regret and deplore all this talk about breach of trust. How else and where else can we find good men of experience in time of emergency?

I am for the bill; I am against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

Mr. GROSS. Mr. Chairman, may we have the amendment read?

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 5, line 15, insert the following new sentence: "Such affidavit will also list the name of the appointee's private employer and will further state that such appointee shall not knowingly commit any act of omission or commission which will to the detriment of the Government inure to the appointee's personal benefit or to the benefit of his present or prospective employer."

Mr. VANIK. Mr. Chairman, this amendment is a very simple amendment to the bill. It merely provides that the affidavit carry supplemental information in which the appointee says that he will not knowingly commit any act of omission or commission which will to the detriment of the Government inure to his own personal benefit or to the benefit of his present or prospective employer. This is a very simple amendment which in effect is a loyalty-to-Government affidavit.

I think the time has come when we should boldly endeavor to do those things that should be done to strengthen and improve civil service methods and Government salary levels to develop and attract high quality personnel into Government. It is surprising how much competence and ability can be found throughout the public service in view of the lack of incentives by reason of low salaries and official confusion.

In this period of relief from "shooting" wars, we must take time out to develop selective methods and incentives to in some way compete with private industry in "luring" topflight officials to Government. If this effort cannot be undertaken at this time, the opportunity is not likely to become better.

If the Government career man cannot hope for promotion to high administrative or policy-participating positions, one of the greatest incentives to careers in Government is destroyed. If the Government employee cannot look forward to promotion and advancement to high administrative responsibility, his prospects are dull indeed.

The dollar-a-year man, while he can contribute special training and experience, can never contribute a prime essential in Government service—loyalty. His compensation comes from his private industry. His future by way of promotion and advancement and his retirement security rest with his employer. He could rarely be expected to render a decision in Government which would be contrary to the interests of his employer. While he may never render decisions or make policy contrary to public interest while in Government service, the accumulation in his know-how in confidential Government methods and procedures may far exceed his contribution of know-how to Government. This contact with governmental methods, processes, and officials could well develop as a private business channel into Government for the advantages of private business.

What other great impelling force would justify the willingness of private business to "loan" executives to Government. The cost of this type of business expense could not be justified unless the stockholders could be convinced of a profitable return.

Ever since President Grover Cleveland's day, the effort has been continuous to improve the standards and the nature of civil service. Government can be as readily contaminated against the public interest by private business as by political interference. The public service must be kept pure of influence. The public trust undertaken in public service must be undertaken by dedicated men and women who have or who can be made to acquire adequate know-how in the public service. The public service must be developed to provide in-service training facilities. The critical times which may have necessitated the "loan" of private executives to Government have substantially passed. Government must again develop and train its own administrative leaders.

Until such time as government can provide proper and adequate incentives and as long as the national emergency continues, w. o. c.'s are necessary. Their activities, however, are of great concern and safeguards must be taken to insure their loyalty to the Government service.

All I propose by this amendment is to suggest that the affidavit include these substantial points: First, that the official must state in his affidavit that he will not knowingly commit any act or fail to do any act which will be to the detriment of Government, or one that will be either to his own personal advantage or to the advantage of a prospective employer.

Before closing, may I say that Dr. Fleming stated in committee that he saw no reason why any official contemplated to be appointed under this act should refuse to sign such an affidavit. If we can ask public employees to sign an affidavit stating that they will remain loyal to the country, if we can ask them to sign an affidavit in which they promise not to strike, and we passed that kind of a requirement a few weeks ago, it seems to me entirely reasonable to require w. o. c.'s to sign an affidavit in which they promise to be loyal to their Government. I urge your support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 5, line 19, strike out the period in line 19 and inserting the following: "and appointments under this subsection (b) shall not be made to the position of the director or assistant director, head or assistant head of a bureau, division, section, or other comparable policymaking or administrative position, and a person appointed under this subsection shall not perform the functions of such a director, assistant director, head or assistant head."

Mr. MULTER. Mr. Chairman, the committee by its action has decided that we do need an extension of this act as it applies to w. o. c.'s and in line with that I offer this amendment and the subsequent amendments in order to strengthen the bill. These amendments will probably prevent another Young incident or any of the other incidents which have been developed during the testimony before our committee and further developed and elaborated upon in the hearings being conducted by the distinguished gentleman from New York [Mr. CELLER] chairman of the Committee on the Judiciary.

I put into the RECORD yesterday a list of names furnished to us by the Secretary of Commerce, Mr. Weeks. Let me just indicate 1 or 2 instances, taking the names and the facts from that list, to indicate the necessity for this amendment. Working as a w. o. c. in that department, we had one gentleman by the name of Rowlands. His job was deputy director of the Container and Packaging Division. Now, who was this gentleman? After you decide first, of course, that that division was necessary to defense production, then let us see what was he doing. Well, he was writing specifications for containers and packages for the United States Government. Where did he come from and who was paying his salary and for what? One of the largest packaging and container companies in the country, Continental Can Co., was employing that gentleman as its special representative in Washington. Now, a special representative in Washington is just a nice name for what we used to call 5 percenters and more recently we called 10 percenters, and now we find they are on the payrolls of the big companies at salaries that run into 5 and 6 figures per annum. So this gentleman, for whom apparently there was no substitute, as the special representative of this large company, was put in charge of the very department that was writing specifications for commodities on which his company would bid.

No. 2: And I put the entire list in the RECORD yesterday. All you need to do is to read the names, what they are doing in Government, what they are doing outside, and you will see the tremendous conflict in interest that my amendment seeks to avoid.

The next gentleman is William H. Thomas. What is his job? Government director of the General Industrial Equipment Division of Government, writing specifications and buying equipment for the Government. What is his job on the outside where he is drawing his livelihood at a very high compensation? He is manager of the Government Sales Division of Air Products, Inc. My amendment would prevent that kind of employment of w. o. c.'s.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Indiana.

Mr. HALLECK. I must admit I am a little confused and slightly dismayed by some of the statements made here. I would like to ask the gentleman, does he proceed on the assumption that if a man is in the business or industrial world or even possibly been something of a success at it, necessarily he is not loyal to his country and is a crook who would like to gouge his Government?

Mr. MULTER. I would like to make it clear, as I did today and yesterday on this floor and as I did in committee, that I am making no charges against any of these men. But, the fact of the matter is we are in an emergency; we are still drafting boys and we are still drafting physicians and dentists who must give up their outside interests and serve only our Government. If these business men want to do a loyal job for our Government, which they ought to do, and not serve their masters on the outside in private enterprise at the same time, if they want to serve their Government loyally, let them do it in a fashion where their employers on the outside will not participate; let them stay away from specifications on which their employers will bid.

Let them not consult with anybody in Government who is going to give their private employers any advantage under such contracts.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. MULTER. I yield further.

Mr. HALLECK. I am glad to hear the gentleman say that we are still in an emergency; and that, of course, is the reason for the extension of this act.

Mr. MULTER. Yes.

Mr. HALLECK. If the gentleman will permit me, I would like to make this further observation. I have had occasion firsthand to see something of the work of these "without compensation" employees. The head of the telephone division until today, comes from my district in Indiana. He is the president of a telephone company with 3,000 subscribers. I happen to know he is one of the best men in our part of the country. He came down here and has done a good job. I resent the implications that I continue to hear all the time that somehow or other all of these people must be crooks. As a matter of fact, when you get into war, you start sending for the people who know how to get things done. Thank God, we have got that kind of people in this country.

Mr. MULTER. Unfortunately, the friend of the gentleman from Indiana is not the rule but the exception. My amendment seeks to make them not the exception but the rule.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, nobody charges that w. o. c.'s and businessmen who are drawn into the Government are crooks. We need those skilled and talented businessmen. We covet them. It is essential to have them in this mobilization period. What is sought is to get after the abuses in the use of these men. And there have been grave abuses.

The bill before us goes a great way toward alleviating and preventing those abuses. For example, on page 4, lines 21 to 25, we have this significant and cogent language:

Appointments to positions other than advisory or consultative may be made under this authority.

That is fine, but what has happened? That language is already part of an Executive order. This bill nails the Executive order into statute. But in the interpretation of that order to the effect that w. o. c.'s may be used only in an advisory capacity, we find that w. o. c.'s are made heads of divisions where they are in control of from 20 to 80 employees, career men of the Government and actually determine policy. And when you are head of a division or a deputy head, you make important and momentous decisions which, indeed, are not merely advisory, but are administrative and involve policy. But those decisions are in the main policymaking dccisions. I cannot repeat this too often.

For example, in the case of the Aluminum and Magnesium Division in the BDSA of the Department of Commerce, the head of the Division was a man by the name of Perkins, who was an official of the Reynolds Metals Co. He was succeeded by a man named Erskine, who was an official of the Aluminum Company of America. Mind you, they were heads of divisions; and, for

example, they had to pass upon the question whether or not there should be an expansion of the production of aluminum with Government aid. And what did they do? They advised against expansion of aluminum in the face of grave shortages of aluminum in this country.

I do not impugn their motives. I do not know what their motives were. I am sure they are honorable men. I do know that in the face of the grave shortages that decision that was made would greatly enhance the prestige and power and profits of their own companies. Failure of expansion would necessarily increase demand for an ever shortening supply of aluminum.

We have something like 25 divisions in the Department, the successor to the NPA in the BDSA Department of Commerce, known as the Business Defense and Services Administration.

Fifteen of the twenty-five divisions are headed by w. o. c. men. Those are policymaking heads of divisions. The amendment that has been offered by the gentleman from New York would be a command by the Congress to the Department of Commerce that the head of the division could not be a w. o. c.—must be a career man.

Let me read to you what Mr. Honeywell stated. He is the head of the Business Defense Services Administration. He said this on February 4, 1954, before the Chicago Conference on Industry:

> Other key executives from industry, serving wihout compensation from the Government, are directors of most of the industry divisions. In time we hope to have all of these divisions headed by w. o. c.'s, as we call them for serving "without compensation."

Thus the Department of Commerce desires only w. o. c.'s and not career Government officials in these position.

Now, see how industry dictates the policy promulgated and evaluated by the Business Defense Services Administration. In numerous industry advisory committees strongest recommendations are made that only officers of these industry members shall occupy policymaking positions; namely, heads of departments and divisions.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HALLECK. Reserving the right to object, Mr. Chairman, we have a lot of work to do today. We have some amendments here that everyone knows are not going to get anywhere. It seems to me it would be a good thing to go on and vote on this amendment.

Mr. CELLER. I ask for 2 minutes.

Mr. HALLECK. All right; bargain rates. I withdraw my objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. In the minutes of the steel products industry advisory meeting on September 9, 1953, appeared the following:

> In a discussion of the proposed organization of the Iron and Steel Division Mr. Wallace explained that plans are to fill the positions of Director and Assistant Director with w. o. c. employees, each to serve for 6 months.

That recommendation of the steel products industry was followed to the letter by the head of the Business Defense Services Administration. I can show you many minutes of industry meetings of a similar nature where it was said, "We want w. o. c.'s to head divisions, we want the w. o. c.'s in policy-making positions." And slavishly the head of the Business Defense Services Administration responds to the request, or rather I should say the commands of the industry. The result is that practically most of the BDSA are run by w. o. c.'s—members of the industry. In such positions decisions are made affecting tax amortizations, affecting quotas and the like. Industry and not the Government really makes the decisions. They do not merely advise, they make the decisions. That is the abuse I speak of, and I say that to the gentleman from Indiana. Of course, Mr. Honeywell or Commerce officials will answer that they merely suggest action to the Secretary of Commerce. They do suggest but the suggestion is usually so powerful as always to be accepted. The Secretary of Commerce cannot possibly know all the details and ramifications of all actions taken, he must of necessity rely upon and accept the so-called suggestions. These suggestions are really orders—orders never, if ever, rejected.

Therefore, if we adopt this amendment, we would say to those in authority, "You cannot appoint w. o. c.'s in these policymaking positions as heads of divisions or heads of departments, you must appoint career paid Government men."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 27, noes 89.

So the amendment was rejected.

Mr. RODINO. Mr. Chairman, I rise in support of the amendment of the distinguished gentleman from New York [Mr. MULTER].

We must keep in mind that persons from industry who come to work for the Government as w. o. c.'s are in a very real sense serving two masters. Although these w. o. c.'s work for the Government, their salaries are paid not by the Government but by their company. Human nature being what it is, can anyone be so naive as to suppose that the decisions of a w. o. c. would run counter to the best interests of his company? It would be an extraordinary individual who would not have a subconscious gravitation to his company's best interests; who would make a decision adverse to his company upon which he depends for a livelihood.

This amendment has but one purpose, to prevent w. o. c.'s from being placed in a position where they can make decisions which affect not only their own company but competing companies as well. This amendment would set up safeguards so that vital policy decisions, such as the granting of tax-amortization certificates to particular companies and the channeling of defense materials will be made by officials in Government who do not have a private ax to grind.

Mr. Chairman, all this week our antitrust subcommittee has been hearing testimony about the activities of w. o. c.'s in the Business and Defense Services Administration of Secretary Weeks' Department of Commerce, which employs more w. o. c.'s than any other agency of Government.

What did our Antitrust Subcommittee find? We found that in the Business and Defense Services Administration every-one of the three Assistant Administrators as a w. o. c.; the directors of 15 of the 25 industry divisions are likewise w. o. c.'s. We found that these w. o. c.'s by virtue of occupying these strategic positions have made vital policy decisions affecting their own companies; they have decided as to what companies in their own industry should or should not be the beneficiary of Government tax-amortization certificates; the extent to which, if any, defense production of critical materials should be expanded or not; what companies should be the recipients of Government financial assistance. This is fundamentally wrong. I say it is too much to expect any man under these circumstances to make decisions which will not parallel the best interests of his company. In saying this, I am not impugning the motive of any individual. I want to make it clear that many w. o. c.'s have rendered excellent service to the Government, particularly in technical and advisory capacities. I am all in favor of having men trained in industry serve a tour of duty with the Government, particuarly in time of emergency. Certainly there is much in the way of skill and technical background that industry persons can contribute to the complex machinery of Government. That is one thing. It is quite another to turn over to men whose pecuniary ties with industry continue responsibility for making vital Government decisions in which their companies have a direct and immediate stake.

Mr. Chairman, we cannot legislate morality. But we can by adopting this amendment insure that people will not be placed in a position where they can use their public office to private advantage.

DEFLATIONARY MOVE ON HOME CONSTRUCTION

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I strongly disapprove of action of the FHA and VA in reducing from 30 years to 25 years and increasing the maximum maturity by 2 percent the minimum downpayments for homes.

It cannot be said that we are overbuilding, in view of new family formation, high mobility, rising housing standards, increasing incomes, and the unfilled housing needs of the country. While the rate of new family formation has been declining, there are many other determinants of future housing requirements. The latter are based not only on population growth and family formation but migration, losses of housing units,

obsolescence and deterioration, undoubling of families, and vacancy and occupancy rates.

In 1950, according to the Census, there were 10.6 million occupied nonfarm dwellings which were dilapidated or were deficient in plumbing facilities. It may be conservatively estimated that at least 8 million nonfarm dwellings are substandard and are either so far gone that they must be destroyed or that economically they can be brought up to standard through rehabilitation. Another 2 or 3 million farm homes are below accepted farm standards. To date we have made little progress in reducing the number of substandard dwellings. At the rate of only 1.3 or 1.4 million homes a year, little further can be done to replace substandard homes and meet the Nation's minimum housing requirements.

Many experts in the field believe that 2 million homes a year are needed. Professor Wheaton in his study of American Housing Needs: 1955–70 found 2 to 2.4 million units a year were needed and that it was economically feasible to achieve this goal. The National Association of Home Builders has estimated that 1.4 million homes are needed annually between 1954 and 1960, and that in the sixties need would rise sharply with increasing family formation. The recently published authoritative 20th Century Fund Survey of America's needs and resources estimates that 1,550,000 dwelling units a year are needed for new construction in the 1950–60 decade, with an additional 350,000 a year to be rehabilitated.

Production of more houses to bring down their price is the cure for any inflationary possibility that may exist. The imposition of credit controls will have the effect of reducing production.

The press release is as follows:

Housing Administrator Albert M. Cole and Federal Housing Commissioner Normal P. Mason in a joint statement today announced that the FHA, effective immediately, is reducing the maximum maturity of FHA-insured home mortgages from 30 years to 25 and is increasing by 2 percent the minimum down payments for homes.

Administrator Cole described the action taken by FHA Commissioner Mason as "a mild and temporary precautionary measure which seeks to assure that the housing market will not contribute inflationary measures to the economy."

Following is the text of the Cole-Mason statement:

"We have been watching with great interest recent trends in housing costs. FHA's Division of Research and Statistics has seen indications of a slight but rising trend in the cost of housing.

"This has not yet been reflected in the prices purchasers must pay for homes but it is a pressure which will affect the general economic well-being of the United States.

"There are also indications of possible shortages in building materials, such as certain steel items, Portland cement and wallboard.

"These signs are not alarming but they are warning signs of inflationary possibilities.

"To counteract any unnecessary rise in the price of homes, FHA is temporarily suspending its regulations which permit the writing of 30-year mortgage loans, substituting instead a 25-year maximum. Prior to August 2, 1954, the maximum generally was 25 years.

"FHA is also increasing by 2 percent the minimum down payments for all 1-to-4 family dwelling units purchased with FHA-insured loans."

Minimum down payment for FHA-financed homes formerly was 5 percent of the first $9,000 of the FHA's appraised value of the home and 25 percent of the amount above $9,000. The minimum down payment does not include closing costs, which also must be paid in cash.

The new directive requires a minimum down payment, exclusive of closing costs, of 7 percent of the first $9,000 of value plus 27 percent of the value in excess of $9,000.

Mr. WOLCOTT. Mr. Chairman, I make a point of order that the gentleman is not speaking in order. He is out of order because he is not speaking in order.

Mr. PATMAN. Mr. Chairman, I am glad to answer that point of order. This relates to the emergency. You know the President asked for this power a year ago, and it was denied. The Congress turned him down on that request, but now a year after it was denied, on the theory evidently of an emergency, they are going ahead and reducing these maturities from 30 years to 25 years, and also increasing the payments effective tomorrow. I just wanted to enter this disapproval.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 8, after line 4, insert the following:

"(9) Appointees under this subsection (b) shall only be assigned duties with regard to functions specifically authorized by titles I, III, and VII of this act."

Mr. MULTER. Mr. Chairman, this amendment seeks to limit the activities of these w. o. c.'s to the three titles of the defense production act that we are extending in this bill. Those titles are the only matters which we are extending in this Defense Production Act, and they are the matters as these w. o. c.'s should be limited in their activities. That is all the amendment seeks to do—to limit their activities to the three titles that we are now extending.

Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER. On page 8, after line 4, insert the following:

"(10) Before any appointment is made under this subsection (b) the appointing official shall first certify to the Civil Service Commission the duties to be performed by such appointee and the efforts he had made to obtain a person competent to perform them and that he has been unable to employ any competent full-time salaried Government employee to perform such duties and the Civil Service Commission shall certify that there is no existing list of persons qualified to perform such duties and the President shall certify that the appointment is necessary to carry out the purposes of this act as amended and extended. The duties of the appointee shall be limited to those set forth in the certification of the appointing official."

Mr. MULTER. Mr. Chairman, the amendment is self-explanatory. It will make effective the very limitations and restrictions that we have put into this bill thus far.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

The Clerk read as follows:

SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 7470, to amend the Defense Production Act of 1950, as amended, pursuant to House Resolution 320, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes, to strike out all after the enacting clause and insert the provisions of the House bill just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Defense Production Act Amendments of 1955."

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full

mobilization in the event of an attack on the United States."

SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "1963" in subsection (b) and inserting in lieu thereof "1965"; and

(2) by adding at the end thereof a new subsection as follows:

"(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials."

SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriation agencies including the Small Business Administration, their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than 6 months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: *"Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used exclusively by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by clause (2) of the proviso in the preceding sentence, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every 3 months".

SEC. 7. Section 710 of the Defense Production Act of 1950, as amended, is amended—

(1) by amending subsection (b) thereof to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation. This authority may be delegated to heads of departments or agencies delegated or assigned functions under this act but may not be redelegated by them. In order to carry out the policy of the Congress that, so far as possible, operations under this act shall be carried on by full-time, salaried employees of the Government, heads of departments and agencies in making appointments under this subsection shall certify to the following with respect to each such appointment:

"(A) That the appointment is necessary and appropriate in order to carry out the provisions of this act;

"(B) That the duties of the position to which the appointment is being made require outstanding experience and ability;

"(C) That the appointee has the outstanding experience and ability required by the position; and

"(D) That the department or agency head has been unable to obtain a person with qualifications necessary for the position on a full-time salaried basis.

"(2) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(3) The President is authorized to provide by regulation for the exemption of persons appointed under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99); except that such exemption shall not extend to the following:

"(A) To the negotiation or execution by an appointee under this subsection of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee or his private employer has any direct or indirect interest;

"(B) To the making of any recommendation or the taking of any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership or other entity in the pecuniary profits or contracts of which the appointee or his private employer has any direct or indirect interest;

"(C) To the prosecution by the appointee, or participation by the appointee in any fashion, in the prosecution of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of 2 years after the termination of such employment; and

"(D) To the receipt or payment of salary in connection with the appointee's service under this subsection from any source other than the private employer of the appointee at the time of his appointment under this subsection.

"(4) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment."; and

(2) by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and by inserting after subsection "(d)" a new subsection as follows:

"(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99)."

SEC. 8. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000."

SEC. 9. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first

sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1957."

SEC. 10. The Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, is amended by adding at the end thereof the following new section:

"SEC. 26. (a) Notwithstanding the second sentence of section 7 (a), the period for receipt of proposals for the purchase of the Government-owned rubber-producing facility at Institute, W. Va., known as Plancor No. 980, shall not expire until the end of the 60-day period which begins on the date of the enactment of this section.

"(b) If one or more proposals are received for the purchase of Plancor No. 980 within the time period specified in subsection (a), the Commission, notwithstanding the expiration of the period for negotiation specified in section 7 (f), shall negotiate with those submitting the proposals for a period not to exceed 75 days for the purpose of entering into a definite contract of sale.

"(c) Within 10 days after the termination of the actual negotiation period referred to in subsection (b) or, if Congress is not then in session, within 10 days after Congress next convenes, the Commission shall prepare and submit to the Congress a report containing, with respect to the disposal under this section of Plancor No. 980, the information described in paragraphs (1) to (5), inclusive, and paragraph (8) of section 9 (a). Unless the contract is disapproved by either House of the Congress by a resolution prior to the expiration of 30 days of continuous session (as defined in section 3 (c)) of the Congress following the date upon which the report is submitted to it, upon the expiration of such 30-day period the contract shall become fully effective and the Commission shall proceed to carry it out, and transfer of possession of the facility sold shall be made as soon as practicable but in any event within 30 days after the expiration of such 30-day period. The failure to complete transfer of possession within 30 days after the expiration of the period for congressional review shall not give rise to or be the basis of rescission of the contract for sale.

"(d) If, upon termination of the transfer period provided for in subsection (c), no contract for the sale of Plancor No. 980 has become effective, the operating agency last designated by the President shall continue to maintain said plancor in adequate standby condition under the provisions of section 8 of the Rubber Producing Facilities Disposal Act of 1953."

SEC. 11. Notwithstanding the provisions of section 3 (d) of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Producing Facilities Disposal Commission (hereinafter referred to as the "Commission") before submission to the Congress of its report relative to Plancor No. 980, shall submit it to the Attorney General, who shall, within 7 days after receiving the report, advise the Commission whether, in his opinion, the proposed disposition, if carried out, will violate the antitrust laws.

SEC. 12. Notwithstanding the provisions of sections 14 and 22 of the Rubber Producing Facilities Disposal Act of 1953, the Rubber Act of 1948, as amended, is hereby extended with respect to the rubber-producing facilities covered by this act, to the close of the day of transfer of possession of Plancor No. 980 to a purchaser in accordance with the provisions of section 26 of the Rubber Producing Facilities Disposal Act.

SEC. 13. Notwithstanding the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding the provisions of section 20 of the Rubber Producing Facilities Disposal Act of 1953, the Commission established by the latter act shall cease to exist at the close of the 30th day following the termination of the transfer period provided for in section 26 (c) of that act, unless no sale of Plancor No. 980 is recommended by the Commission pursuant to section 26 (c) of that act, in which event the Commission shall cease to exist at the close of the 130th day following the date of enactment of this act.

SEC. 14. Except as otherwise provided in this act, disposal of Plancor No. 980 shall be fully subject to all the provisions of the Rubber Producing Facilities Disposal Act of 1953 and such criteria as have been established by the Commission in handling disposal of other Government-owned rubber-producing facilities under that act: *Provided,* That the provisions of section 7 (j), 7 (k), 9 (d), 9 (f), 10, 11, 15, and 24 of that act shall not apply, to the disposal of Plancor No. 980. As promptly as practicable following the date of transfer of possession of Plancor No. 980 to a purchaser under this act, the operating agency last designated by the President shall offer for sale to such purchaser the end products at such plant and held in inventory for Government account on the day of such transfer of possession, together with the feedstocks then located at such plant or purchased by the operating agency for use at such plant. Sale of such end products shall be made at the Government sales price prevailing on the business day next preceding the date of transfer of possession of such plant. Sale of such feedstocks shall be made at not less than their cost to the Government. In the event the purchaser declines to purchase such end products or feedstocks when first offered to it by the operating agency, they may be thereafter disposed of in such manner as the operating agency deems advisable. In the event Plancor No. 980 is not sold under the provisions of this act, any end products at such plant and held in inventory for Government account and any feedstocks located at such plant or purchased by the operating agency for use at such plant shall be disposed of in such manner as the operating agency deems advisable, at the prevailing market price for such end products and feedstocks.

SEC. 15. The provisions of this act shall not be applicable to the disposal of any Government-owned rubber-producing facilities other than Plancor No. 980; and all action taken pursuant to the provisions of the Rubber Producing Facilities Disposal Act of 1953, or the amendment thereto known as Public Law 19, enacted March 31, 1955, prior to the enactment of this act shall be governed by the provisions of that act as it existed prior to the enactment of this act and shall have the same force and effect as if this act had not been enacted.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause and insert the provisions of H. R. 7470 as passed, as follows:

"That this act may be cited as the 'Defense Production Act Amendments of 1955.'

"SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(c) Whenever the President invokes the powers given him in this act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry.'

"SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

"(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: '*Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.'

"(2) by inserting in subsection (d) thereof after the word 'hereunder' the following: ', or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,';

"(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: 'Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.';

"(4) by striking out from the last sentence of subsection (e) thereof the words 'at such times thereafter as he deems desirable' and inserting in lieu thereof the words 'at least once every 3 months.'

"SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"'(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"'(i) So far as possible, operations under the act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"'(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"'(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"'(3) Any person appointed under the authority of this subsection shall file, under

oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"'(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"'(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"'(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"'(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"'(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of 2 years after the termination of such employment; and

"'(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"'(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"'(i) that the appointment is necessary and appropriate in order to carry out the provisions of the act;

"'(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"'(iii) that the appointee has the outstanding experience and ability required by the position; and

"'(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"'(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"'(8) At least once every 3 months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.'

"SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

"(1) by seeking out '25' from the second sentence of subsection (c) thereof and inserting in lieu thereof '40'; and

"(2) by striking out '$50,000' in the first sentence of subsection (e) thereof and inserting in lieu thereof '$65,000'.

"SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out 'July 31, 1955' from the first sentence of subsection (a) thereof and inserting in lieu thereof 'June 30, 1956.'"

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and the bill H. R. 7470 were laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2391 with an amendment of the House, insist on the amendment of the House, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and TALLE.

INVESTIGATION BY COMMITTEE ON WAYS AND MEANS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I offer the following privileged resolution (H. Res. 331, Rept. No. 1601) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Committee on Ways and Means, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations of all matters coming within the jurisdiction of such committee.

SEC. 2. For the purposes of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places, within the continental United States, its Territories and possessions, as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, to administer such oaths, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or of any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.

SEC. 3. The committee may report to the House at any time during the present Congress the results of any studies or investigations made under authority of this resolution, together with such recommendations as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

The resolution was agreed to.

REVISION AND EXTENSION OF SUGAR ACT OF 1948

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7030 with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 30 minutes and the gentleman from Kansas [Mr. HOPE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 29 minutes.

Mr. Chairman, our committee is about to present to this House one of the most complicated pieces of legislation that the House has ever been called upon to consider. It is of far-reaching importance. The time for presenting this complicated bill to the House is very limited. I have at my disposal only 30 minutes, which is a rather short time to present a bill of this importance to the House, when our committee has worked diligently on the bill for more than a month, with meetings in the morning and in the afternoon. I know I have never worked harder on any bill that has been reported from our committee during my service on the committee than I have on this bill. It affects people in far-distant places and it vitally affects every one of your constituents.

In presenting the matter to the Rules Committee, knowing that the Rules Committee was pressed for time just as we are pressed for time, I stated to that committee that I would not undertake to discuss the details of this complicated program, and unless there is some real demand for a detailed discussion of the program we are now presenting, I should like very much to avoid a discussion of those details, if possible.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. When does the present law expire?

Mr. COOLEY. The present law was rewritten in 1951 and it expires in December 1956.

Mr. GROSS. Then why is the bill here at all today?

Mr. COOLEY. I am glad the gentleman asked me that question. I will be very glad to answer it.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. No hearings have been printed on this bill; is that so?

see whether there was not something we might do and, secondly, in the asking for the emergency legislation of last year, it was to get in or to provide an avenue by which refugees and others of Europe could come into the United States.

And, as they knew, the administration of that bill had been slow and difficult. And what he had been putting his attention on lately was trying to get the administration of that bill so straightened out that that part—that that could work effectively. (New York Times, April 30, 1954, p. 12.)

PRESIDENT'S STATEMENT ON THE FIRST ANNIVERSARY OF THE REFUGEE RELIEF ACT, AUGUST 7, 1954

The President today on the first anniversary of the Refugee Relief Act—asked the Nation's governors to organize local committees to help stimulate the immigration and resettlement of 190,000 victims of Communist persecution, military action or natural disaster. New York State has already created such committees.

This legislation, urged by the President, became law a year ago on August 7, 1953.

Issuance of visas in volume under the law was begun April 1, and since then more than 8,000 visas have been issued in Italy, Greece, Germany, Austria, the Netherlands and Japan.

Certain Italian, Greek and Dutch citizens come to the United States under the refugee program under sponsorship of close relatives already here, but 190,000 refugees must be beneficiaries of assurances provided by American citizens that they will have jobs, housing and will not become a public charge.

More than 14,000 such assurances have now been obtained, largely through the efforts of private organizations which are cooperating voluntarily in the program.

If the program is to continue to function smoothly, and if the maximum result is to be accomplished, there must be a steady flow of assurances. It is primarily to stimulate the procurement of assurances that the President has suggested the establishment of local committees by the governors.

This is the second time within a week that the President has demonstrated his own personal interest in this effort by the United States to share with other free nations in providing a haven for victims of oppression and disaster.

On August 3, the President received Mr. and Mrs. Ceza Kapus and their 6-year-old daughter, Eva, the first escapees from behind the Iron Curtain to be brought here under the Refugee Relief Act. The Kapus family made a daring escape from Hungary during which Mrs. Kapus' leg was blown off by a land mine. They crossed into Austria under fire from border guards.

The Refugee Relief Act is administered by Scott McLeod of the Department of State. Cooperating in its administration are the Departments of Defense, Justice, Labor, Health, Education, and Welfare, and Treasury, as well as the Foreign Operations Administration, the Intergovernmental Committee on European Migration, and 25 voluntary agencies. The act has a statutory life extending to December 31, 1956.

Following is the text of the President's letter to the 47 governors:

"DEAR GOVERNOR ———: With America's traditional concern for the homeless, the persecuted, and the less fortunate of other lands * * * one of the first acts passed by your 83d Congress was the Refugee Relief Act of 1953 authorizing the entry into the United States of some 214,000 refugees.

"These are men and women of the same character and integrity as their and our ancestors who, generation upon generation, have come to America to find peace and work, to build for themselves new homes in freedom.

"Under supervision of the Department of State an almost worldwide organization has been set up to help these refugees from Communist persecution, natural disaster, and military operations. To aid in obtaining the needed sponsorship-assurances for these people, and to assist in the resettlement program, we need your assistance.

"It would greatly stimulate the speed and effectiveness of this program if you would consider appointing a Governor's Committee to operate within your State. So that you can give full consideration to our suggestion, I am asking the State Department to forward you a complete Committee Manual explaining the act, functions of the Governor's Committee and other pertinent information.

"Your assistance in this great humanitarian program will always be a source of great personal satisfaction and will be a genuine service to many communities within your State.

"Sincerely,

"DWIGHT D. EISENHOWER."

TEXT OF THE PRESIDENT'S LETTER TO GOVERNOR DEWEY OF NEW YORK

DEAR GOVERNOR DEWEY: I have today written to the governors of each of the other States suggesting that they may wish to appoint committees to cooperate with the administration in connection with implementing the refugee relief program of 1953. I have not addressed the letter to you because you have already created such a committee and I understand that Commissioner Corsi has already had a meeting with the Administrator of this program, to the mutual satisfaction of both of them.

I congratulate you on undertaking this work to stimulate the flow of assurances and to aid in the resettlement of these immigrants. I hope you will let Commissioner Corsi know how much we appreciate the cooperation extended by him and his associates.

Sincerely,

DWIGHT D. EISENHOWER.

(White House press release, August 7, 1954.)

TRANSCRIPT OF PRESIDENT'S NEWS CONFERENCE, APRIL 27, 1955

CABELL PHILLIPS (of the New York Times). Mr. President, I have two question on the refugee program.

First, sir, would you express whether or not you are satisfied with the way the refugee program is now operating? And, second, whether or not you will support proposed revisions of the refugee act which have been introduced in the Senate—I am not sure of the House.

Answer. The answer to the first question is, "No." The next one is, "Yes."

(New York Times, April 28, 1955, p. 12.)

TRANSCRIPT OF THE PRESIDENT'S NEWS CONFERENCE, JUNE 29, 1955

(The White House authorized direct quotation of the President for this conference.)

GOULD LINCOLN (of the Washington Star). Mr. President, Senator LYDON JOHNSON of Texas yesterday made a statement praising what the Senate had done in a legislative way, and he also said that a certain party leader made a speech last fall saying that "cold war" of partisan politics would follow the election of a Democratic Congress, and that he inferred that possibly that certain party later might have something to say about it. (Laughter.)

Answer. Well, ladies and gentlemen, I said in the campaign—and I assume that his allusion to me is not so hazy * * *

Now, you have just given me a big chance to read a little list of legislation I want, not been passed yet. (Laughter.)

Refugee act amendments, and you all know about the needs for them. (New York Times, June 30, 1955, p. 10.)

APPENDIX D

THE GALLUP POLL: PUBLIC FAVORS EASING MCCARRAN-WALTER ACT

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., June 14.—Although a majority of Americans are not familiar with the controversial McCarran-Walter Act, among those who are—some 14 million in the total adult population—the prevailing sentiment is that the immigration law should be made more liberal.

Under the present regulations of the McCarran-Walter Act, which bases quotas on national origins of United States citizens, the annual immigration quota is about 155,000.

After determining who those persons familiar with the existing immigration laws were, institute reporters asked them the following question:

"From what you know, do you think there should or should not be changes made in the McCarran-Walter Act?"

The results for those familiar with the act:

	Percent
Should be changes	53
Should not	15
No opinion	32

The 53 percent who felt there should be some changes were asked a further question: "Do you think this act should be made more strict or more liberal?"

The results of those who want changes:

	Percent
More strict	26
More liberal	68
No opinion	6

To see how the general public, regardless of their knowledge of the present regulations, would feel about the influx of a few European families in their communities, each person in the survey was asked the following questions:

"Would you approve or disapprove of having a few families from Europe come to this neighborhood to live?"

The results, comparing the views of the "informed" public with those of the general public.

	Percent
General public:	
Approve	63
Disapprove	27
No opinion	10
Informed public:	
Approve	81
Disapprove	12
No opinion	7

(Amendments to Refugee Relief Act of 1953, hearings before Subcommittee of Committee on the Judiciary, U. S. Senate, 84th Cong., 1st sess., on S. 1794, S. 2113, and S. 2419; June 8–21, 1955; p. 245.)

APPENDIX E

PRESIDENTIAL CAMPAIGN STATEMENTS ON IMMIGRATION MADE IN 1952 BY DWIGHT D. EISENHOWER

(See also text of statement, supra.)

STATEMENT MADE AT BOISE, IDAHO, AUGUST 20 1952

All Americans of all parties have now accepted and will forever support * * * equal opportunities for everybody regards of * * * where he was born or what is his national origin. (Campaign statements of Dwight D. Eisenhower, A Reference Index, p. 147.)

REMARKS AT QUESTION-AND-ANSWER PERIOD, REPUBLICAN REGIONAL MEETING, CLEVELAND, OHIO, SEPTEMBER 8, 1952

Representative J. HARRY MCGREGOR, of Ohio. Possibly you haven't had the time to go into the details of the McCarran-Walter Immigration Act. I wonder if you would care to give us your views on the McCarran-Walter Act?

Answer. You are quite correct that I have not had time to go into the details. It is

a matter that to my mind must be settled, and it is a specific point in question, must be settled with a complete judgment of the Congress.

Now we must not lose, as a Nation, our great place as the haven of the politically oppressed in the world. We must hold out hope to those who are against communism. They cannot combat communism behind the Iron Curtain and then be homeless waifs.

We must not forget that our Nation has been made great by that kind of immigration. We do not want to select our immigrants; we want to make certain that the mentally or the morally unfit cannot enter here. I do not know what the details of that bill are, but I say this to you, Mr. Congressman:

If God-fearing, loyal, dedicated Americans can't work out a proper immigration bill for this country, then I don't think we are worthy of our own past, because our own past is one of immigration. That is a very general statement of policy and principles, but it is all that I can give you. (New York Times, September 9, 1952, p. 16.)

ADDRESS AT THE ALFRED E. SMITH MEMORIAL FOUNDATION DINNER, WALDORF-ASTORIA HOTEL, NEW YORK CITY, OCTOBER 16, 1952

Unity of our own people implies a host of great tasks and duties. It demands—on all fronts and in all senses—the keenest guard against divisive propaganda, the sternest watch against divisive prejudice. It demands a true fellowship of peoples of all religious beliefs and of all national origins. It demands a true attack upon any barriers in our national life that mark off one group of citizens from all others. It demands a true cleansing from our hearts of the faintest stains of racial and religious prejudice. There is no such thing as just a little bigotry, just a little hate. In this—freedom's day of decision—our unity must be beyond all doubt, above all compromise.

Most importantly we must resolve this: We must strike from our own statute books any legislation concerning immigration that implies the blasphemy against democracy that only certain groups of Europeans are welcome on American shores. (New York Times, October 17, 1952, p. 18.)

ADDRESS, NEWARK, N. J., OCTOBER 17, 1952

And now we come to another glaring example of failure of our national leadership to live up to high ideals. I refer to the McCarran immigration law, which was passed over the President's veto at the last session of Congress. A new immigration law was certainly needed. But with leadership rather than vetoes we should have had, and we must get a better law than this McCarran Act.

A contest for world leadership—in fact for survival—exists between the Communist idea and the American ideal. That contest is being waged in the minds and hearts of human beings. We say—and we sincerely believe—that we are the side of freedom; that we are the side of humanity. We say—and we know—that the Communists are the side of slavery, the side of inhumanity.

The whole world knows that to these shores came oppressed peoples from every land under the sun; that here they found homes, jobs, and a stake in a bright, unlimited future. Here, uniquely, every man's children had one priceless bequest: The birthright of freedom. In every town and village in Europe, from the Ural Mountains to the channel ports, that truth is known because some friend or kinsman came here to America and lived that truth and the countryside from whence he came marveled at his experiences.

Yet to the Czech, the Pole, the Hungarian who takes his life in his hands and crosses the frontier tonight—or to the Italian who goes to some American consulate—this ideal that beckoned him can be a mirage because of the McCarran Act.

Obviously, there must be limits to the number of immigrants this country can or should absorb. We must establish fair limits—fair to ourselves and fair to others. We must develop a system of limitation in line with our concept of America as the great melting pot of free spirits, drawn here from all the nations of the earth.

Let me give you an illustration of the working of the McCarran law. The quotas proclaimed by the President under the McCarran Act provide for the entry of over 65,000 immigrants per year from the United Kingdom, but only 5,645 from Italy and only 308 from Greece. The United Kingdom does not use anywhere near the full immigration quota which it has, but countries like Italy, Greece, and the Baltic States and the nations of Eastern Europe use their tiny quotas to the full. They have a pathetic backlog of applications which by law cannot be applied against the unused United Kingdom quota.

Our laws and many of our customs stem from an Anglo-Saxon tradition. But that must not be allowed to overshadow great contributions that have been made by other nations and other races in the development of our country.

There are many ways to illustrate this contribution. I take a way that is peculiarly appealing to a soldier. I am going to read you the names of 16 men who were awarded the Congressional Medal of Honor in Korea. Please listen to these names:

M. Sgt. Stanley T. Adams; 1st Lt. Lloyd L. Burke; Pvt. Stanley R. Christianson; 1st Lt. Samuel S. Coursen; Capt. Reginald B. Desiderio; Pfc. Jack G. Hanson; Paratroop Cpl. Rodolfo P. Hernandez; Sfc. Loren R. Kaufman; Capt. C. Krzyzowski; Lt. Baldomero Lopez; Pfc. Walter C. Monegan, Jr.; Pvt. Eugene A. Obregon; Pvt. Joseph R. Quellette; Maj. Carl L. Sitter; Cpl. Joseph Vittori; Pvt. Bryant H. Womack.

Ladies and gentlemen, the McCarran immigration law must be rewritten.

A better law must be written that will strike an intelligent, unbigoted balance between the immigration welfare of America and the prayerful hopes of the unhappy and the oppressed. (New York Times, October 18, 1952, p. 8.)

SPEECH IN BRIDGEPORT, CONN., OCTOBER 20, 1952

We must repeal, for example, the unfair provisions of the McCarran Act. (Prepared text.)

SPEECH ON BOSTON COMMON, OCTOBER 21, 1952

No man's race or creed or color should count against him in his economic or civil or any other rights. Only second-class Americanism tolerates second-class citizenship. It's time to get rid of what remains of both, and that includes rewriting the unfair provisions of the McCarran Immigration Act. (New York Times, October 22, 1952, p. 16.)

SPEECH IN THE BRONX, NEW YORK CITY, OCTOBER 29, 1952

We need to rewrite the unfair provisions of the McCarran Immigration Act to get the biogtry out of it. (New York Times, October 30, 1952, p. 26.)

APPENDIX F

COMPILATION OF PUBLIC STATEMENTS ON THE SUBJECT OF IMMIGRATION MADE BY SECRETARY OF STATE JOHN FOSTER DULLES

REMARKS BY SECRETARY OF STATE DULLES IN REPLY TO QUESTIONS ON THE IMMIGRATION LAWS, PRESS, AND RADIO NEWS CONFERENCE, TUESDAY, APRIL 12, 1955

Asked if he were satisfied with the present status of our immigration laws, the Secretary said, "No; I am seldom satisfied with anything. I am always working for improvement."

The Secretary's attention was called to a statement from his speech of the previous evening stressing the importance of spiritual values and of human equality. He was asked whether he could say, in line with that, if he favored revision specifically of the national origins quota system which set up a discrimination against people from Italy and Eastern Europe and favored people from the so-called Anglo-Saxon countries. Mr. Dulles replied, "The views of the administration, I think, are quite well known on that subject. We do favor a much more liberal law than the present law. We are seeking amendments to the present law and we are not at all satisfied with the law as it stands." (Transcript, Department of State, Washington, D. C.)

AMENDMENT OF DEFENSE PRODUCTION ACT OF 1950

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Defense Production Act Amendments of 1955."

SEC. 2. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided*, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 3. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "*Provided, however*, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement

or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within 90 days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every 3 months."

SEC. 4. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

"(4) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(5) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, under the provisions of the act made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of 2 years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(6) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(7) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

"(8) At least once every 3 months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper."

SEC. 5. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 6. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

Mr. FULBRIGHT. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. DOUGLAS, Mr. MORSE, Mr. CAPEHART, and Mr. BRICKER conferees on the part of the Senate.

DEVELOPMENT OF MINERAL RESOURCES OF CERTAIN PUBLIC LANDS—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 100) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same.

CLINTON P. ANDERSON,
JOSEPH C. O'MAHONEY,
W. KERR SCOTT,
THOMAS H. KUCHEL,
BARRY GOLDWATER,
Managers on the Part of the Senate.

CLAIR ENGLE,
WAYNE N. ASPINALL,
WALTER ROGERS,
JOHN P. SAYLOR,
CLIFTON YOUNG,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

THE CALENDAR

The PRESIDING OFFICER. Pursuant to the order previously entered, the next order of business is the call of the calendar for the consideration of measures to which there is no objection, beginning with Calendar 1429, Senate bill 65.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF 1930, AS AMENDED

The bill (S. 65) to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended, was announced as first in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, reserving the right to object, I should like to inquire whether or not the views of the Civil Service Commission were sought in regard to this piece of proposed legis-

lation, and if so, what the views of the Civil Service Commission are.

Mr. JOHNSTON of South Carolina. Mr. President, I will answer that question by saying that the views of the Civil Service Commission were not received.

When special retirement legislation for all Government investigatory personnel was under consideration in the 80th Congress, the Civil Service Commission sugegsted that the bill be amended to include "persons engaged in the detention of criminals, such as prison guards." Since enactment of this language, the term "detention" has in practice been limited to include only "custodial officers within prison walls."

S. 65, by redefining "detention," will expressly include (a) field-service personnel of the Bureau of Prisons, Federal Prison Industries, Incorporated, and employees of Public Health Service assigned to such field service, and (b) other employees of the Bureau of Prisons and of Prison Industries, Incorporated, who have direct contact with persons in detention. All such employees will thus be entitled to retirement on the same basis as other groups of investigatory personnel under section 1 (d) of the Civil Service Act, as amended, which is the right to retire after reaching age 50 with at least 20 years of service.

Mr. PURTELL. I thank the Senator from South Carolina. My inquiry was occasioned by lack of information available to the committee at the time the bill was under study.

Mr. JOHNSTON of South Carolina. This statement is made to clarify the dispute as to what "detention" means.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 65) to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding the following: "The word 'detention' as used in this subsection shall be construed to include the duties of all officers and employees in the field service of the Bureau of Prisons, Federal Prison Industries, Inc., and officers and employees of the Public Health Service assigned to such field service, and all other officers and employees of the Bureau of Prisons and Federal Prison Industries, Inc., whose duties in connection with persons in detention suspected or convicted of offenses against the criminal laws of the United States, of the District of Columbia, and the punitive articles of the Uniform Code of Military Justice, involve direct contact with such persons in their direction, supervision, inspection, training, or employment."

DECLARING A PORTION OF WATERWAY AT WEST HAVEN, CONN., A NONNAVIGABLE STREAM

The bill (S. 2514) to declare the portion of the waterway of West Haven and New Haven, Conn., known as the West River, northerly of a line running north 85 degrees 54 minutes 43.5 seconds east, from a point whose coordinates in the Corps of Engineers Harbor Line System are north 4,616.76 and west 9,450.80 a nonnavigable stream was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the portion of the waterway in which is located the West River in the town of West Haven, Conn., and the city of New Haven, Conn., lying northerly of a line extending north 85 degrees 54 minutes 43.5 seconds east, from a point (1,158.535 feet from the most westerly corner of the existing bulkhead and pier line) whose coordinates in the Corps of Engineers Harbor Line System are north 4,616.76 and west 9,450.80, is hereby declared to be a nonnavigable water of the United States within the meaning of the Constitution and laws of the United States.

SEC. 2. The line hereinbefore described shall be established as a combined pierhead and bulkhead line of the West River.

SEC. 3. Any project heretofore authorized by an act of Congress, insofar as such project relates to the above-described portion of the West River, is hereby abandoned.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

A GOLD MEDAL FOR DR. JONAS E. SALK

The joint resolution (H. J. Res. 278) to provide that a gold medal be coined and presented to Dr. Jonas E. Salk in honor of his achievements in the field of medicine was considered, ordered to a third reading, read the third time, and passed.

WILLIAM E. RYAN

The bill (H. R. 4410) for the relief of William E. Ryan was considered, ordered to a third reading, read the third time, and passed.

MARGARET MARY HAMMOND

The Senate proceeded to consider the bill (H. R. 3024) for the relief of Margaret Mary Hammond, which had been reported from the Committee on Labor and Public Welfare with an amendment on page 2, line 7, after the word "act", to insert a colon and *"Provided*, That no benefits shall accrue by reason of the enactment of this act for any period prior to its enactment, except in case of such medical or hospital expenditures as may be deemed reimbursable."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ELZIE C. BROWN

The Senate proceeded to consider the bill (H. R. 4763) for the relief of Elzie C. Brown which had been reported from the Committee on Labor and Public Welfare with an amendment, on page 1, line 10, after the word "received", to insert "on or about Thanksgiving of 1945."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

QUITCLAIM DEED TO CERTAIN LAND TO THE STATE OF TEXAS

The bill (H. R. 593) to convey by quitclaim deed to certain land to the State of Texas, was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF WITNESSES

The resolution (S. Res. 143) amending the rule relating to the payment of witnesses was considered and agreed to, as follows:

Resolved, That the rule of paying witnesses summoned to appear before the Senate or any of its committees shall be as follows: For each day a witness shall attend, not to exceed $12, and not to exceed $12 for each day spent in traveling to or from the place of examination by the usual route. A witness shall also be entitled to be reimbursed his necessary expenses for traveling to and from the place of examination, in no case to exceed the sum of 10 cents a mile for the distance by him actually traveled for the purpose of appearing as a witness.

INSTALLATION OF SEWERAGE SYSTEM IN CONNECTION WITH GLENDO DAM AND RESERVOIR

The Senate proceeded to consider the bill (S. 2339) to authorize the Secretary of the Interior to include capacity to serve the town of Glendo, Wyo., in a sewerage system to be installed in connection with the construction of Glendo Dam and Reservoir, and for other purposes which had been reported from the Committee on Interior and Insular Affairs, with amendments on page 2, line 10, after the word "States", to insert "without cost to the United States"; in line 14, after the word "States", to insert "without cost to the United States"; and on page 3, line 6, after the word "States", to strike out "and contingent on appropriations being made which are available therefor, the United States will pay for the water used by it at reasonable and nondiscriminatory rates fixed by the town of Glendo and approved by the Public Service Commission of the State of Wyoming", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized, in connection with the installation of a sewerage system to serve the Government construction camp and housing facilities at Glendo Dam and Reservoir (68 Stat. 486) and upon the terms and conditions hereinafter set forth, to install sufficient capacity to serve also the town of Glendo, a municipal corporation of the State of Wyoming, and to transfer all right, title, and interest of the United States in and to said system (including necessary rights-of-way) to said town. The total capacity of said system shall not exceed that required to serve 500 persons and no commitment between the United States and the town with respect to the construction thereof shall require the expenditure of more than $75,000. The terms and conditions of this authorization are that the town shall have—

vice, Commissioner of Reclamation, Administrator of SCS, Chief of Forest Service, Administrator of Farmers Home Administration, and Manager of Federal Crop Insurance Corporation, $17,500.

Adds a salary rate of $14,835 at the end of the present pay scale of GS-17, which now consists of 4 rates, but makes no change in the rates of the first 4 steps. Increases GS-18 to $16,000 as a new minimum rate for the grade, and adds 3 rates ending at $17,500. Increases from $15,000 to $17,500 the maximum salaries of not to exceed 5 USDA specialists in foot-and-mouth and other animal diseases.

29. DEFENSE PRODUCTION. Debated the conference report on S. 2391, to amend and extend the Defense Production Act to June 30, 1956, and adopted, 36 to 34, a Capehart motion to recommit the conference report with instructions to eliminate certain language respecting the employment of persons without compensation (pp. 10839, 10915-24, 10942-5).

30. PERSONNEL; EXPENDITURES. Sen. Byrd submitted an additional report on Federal employment and pay for the month of June 1955 (pp. 10830-2).

31. PRICE SUPPORTS; GRAIN. Sen. Thye inserted two radio broadcasts made by him in discussing agricultural programs, stating, "I have differed with the administration on certain phases of the agriculture program and I have supported it in other phases" (pp. 10841-4).

32. ELECTRIFICATION. Sen. Humphrey expressed concern over certain decisions made during the development of electric power from atomic energy and the relation to REA (pp. 10944-5).

Sen. Langer inserted resolutions adopted by the N. Dak. Association of Electric Cooperatives opposing Hoover Commission recommendations relative to electric power (pp. 10948-9).

33. LEGISLATIVE PROGRAM. The acting Majority Leader scheduled consideration of Executive business as the first order on Tues., Aug. 2 (pp. 10927-9, 10949).

HOUSE (CONTD.)

34. WHEAT; CCC. H. R. 7641 would authorize CCC to make available to the Interior Department wheat which has been declared unfit for human consumption, to be used to lure migratory waterfowl away from crops. CCC would be reimbursed by the Interior Department for the acquisition cost of the wheat, or the current support price (whichever is lower), plus the costs of any packaging, transporting, or handling required for delivery of the wheat which CCC determines to be in excess of the normal costs incurred in moving such commodity, less an allowance determined by the Interior Department to be appropriate to cover the deterioration of the wheat.

BILLS INTRODUCED

35. FLOOD CONTROL. S. 2733, by Sen. Watkins, to provide for repayment to the U. S. of certain costs of certain rivers and harbor and flood control projects; to Public Works Committee (p. 10838). Sen. Watkins suggested that certain flood control projects should be placed on a reimbursable basis, as are many of the reclamation projects, in order to remove some of the criticism against water resource development projects by placing them on a business basis (pp. 10854-6).

36. ILDLIFE. S. 2732, by Sen. Neuberger, to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations; to Agriculture and Forestry Committee (p. 10838). Remarks of author (pp. 10838-9).

37. FERTILIZER. S. 2737, by Sen. Smith, N. J., H. R. 7797, by Rep. Church, and H. R. 7802, by Rep. Hiestand, to provide for the transfer to the Department of Agriculture of the fertilizer research facilities of the Tennessee Valley Authority; to Senate Committee on Public Works and House Committee on Government Operations (pp. 10838, 11050).

38. ORGANIZATION. S. 2740, by Sen. Smith, N. J., H. R. 7795, by Rep. Church, and H. R. 7801, by Rep. Hiestand, to provide for the closing of certain commercial type enterprises operated by civilian departments and agencies of the Government; to Government Operations Committees (pp. 10838, 11050).

39. CONSERVATION. S. 2742, by Sen. Case, S. Dak., to authorize the issuance of a special stamp commemorative of the 50th anniversary of the founding and accomplishments of the conservation movement in the United States; to Post Office and Civil Service Committee (p. 10838).

40. PERSONNEL. S. 2747, by Sen. Morse (for himself and others), to require Membe. of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amoun and sources of their income, the value of their assets, and their dealings in securities and commodities; to Rules and Administration Committee (p. 10948). Remarks of author (p. 10945).

H. R. 7786, by Del. Farrington, to permit a resident of Hawaii employed by the Federal Government in Hawaii to accumulate a maximum of 45 days a year annual leave; to Post Office and Civil Service Committee (p. 11050).

H. R. 7813, by Rep. Multer, to provide for the establishment of a commission to review all cases in which the employment of a Federal employee has been suspended or terminated under any loyalty or security program of the United States, including any summary suspension or termination of employment permitted by law to protect the national security of the United States; to Post Office and Civil Service Committee (p. 11050).

41. RECLAMATION; ELECTRIFICATION. H. R. 7787, by Rep. Gubser, to authorize the Secretary of the Interior to construct, operate, and maintain as additions to the Central Valley project, California, the Trinity River division and the San Luis Reservoir, the San Luis-West Side Canal, the Avenal Gap Reservoir, the Antelope Plain Canal (West San Joaquin division), and the Santa Clara-San Benito unit; to Interior and Insular Affairs Committee (p. 11050).

42. DAIRY INDUSTRY. H. R. 7788, by Rep. Marshall, to provide for the uniform grading and labeling of butter; to Agriculture Committee (p. 11050).

43. ROADS. H. R. 7810, by Rep. Mack, Wash., to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways; to Public Works Committee (p. 11050).

44. WATER COMPACT. H. R. 7812, by Rep. Halleck, to grant the consent and approval of Congress to a Great Lakes Basin compact; to Foreign Affairs Committee (p. 11050).

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2732) to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, in order to prevent crop damage by migratory waterfowl and at the same time to avoid the depletion of our waterfowl resources by encouraging violation of the Federal regulation banning the shooting of waterfowl lured to or over the shooting area by bait, the Commodity Credit Corporation shall make available to the Secretary of the Interior, at locations specified by him, such wheat, acquired through price-support operations and certified by the Commodity Credit Corporation to be in such condition through spoilage or deterioration as not to be desirable for human consumption, as the Secretary of the Interior shall requisition pursuant to section 2 hereof.

SEC. 2. Upon a finding by the Secretary of the Interior that any area in the United States is threatened with damage to farmers' crops by migratory waterfowl, whether or not during the hunting season for such migratory waterfowl, the Secretary of the Interior is hereby authorized and directed to requisition from the Commodity Credit Corporation and to make available to Federal, State, or local governmental bodies or officials, or to private organizations or persons, wheat acquired from the Commodity Credit Corporation pursuant to section 1 hereof in such quantities and subject to such regulations as the Secretary determines will most effectively lure migratory waterfowl away from crop depredations and at the same time not expose such migratory waterfowl to shooting over areas to which the waterfowl have been lured by such feeding program.

SEC. 3. With respect to all wheat made available pursuant to this act, the Commodity Credit Corporation shall be reimbursed by the Secretary of the Interior for the acquisition cost of the wheat to the Commodity Credit Corporation or the current support price for such wheat (whichever is lower), plus the costs of any packaging, transporting, or handling required for delivery of the wheat which the Commodity Credit Corporation determines to be in excess of the normal costs incurred in moving such agricultural commodity into normal commercial channels, and less an allowance appropriate to cover the deterioration of the wheat. Expenditures authorized by this act may be made by the Commodity Credit Corporation in advance of appropriations and shall be entered on the books of the Corporation as accounts receivable.

SEC. 4. There are hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, such sums as are required for the purposes of this act.

AUTHORIZATION FOR CERTAIN IMPROVEMENTS OF MISSOURI RIVER

Mr. CASE of South Dakota. Mr. President, on yesterday the Secretary of the Army, Mr. Brucker, and the distinguished Chief of the Corps of Engineers, Lt. Gen. Samuel D. Sturgis, participated in the dedication service at the closing of the Gavin's Point Dam, on the Missouri River boundary between South Dakota and Nebraska. In connection with the brief remarks I made at that time, I suggested that the time had now come for consideration of navigation between the Gavin's Point Dam and Sioux City. I now introduce on behalf of myself, and the senior Senator from South Dakota [Mr. MUNDT], a bill pertaining to that matter, and request its appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2734) authorizing improvement of the Missouri River from Sioux City, Iowa, to Gavins Point, S. Dak., for navigation and other purposes, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

BILLS IMPLEMENTING RECOMMENDATIONS OF HOOVER COMMISSION

Mr. SMITH of New Jersey. Mr. President, last Friday, in order that the appropriate Senate committees might have available for study during the recess all legislation prepared purspant to the recommendations of the Hoover Commission, I introduced five bills reflecting recommendations of the several Hoover Commission reports. I now introduce, for appropriate reference, four additional bills as follows:

First. A bill to provide for the transfer to the Department of Agriculture of the fertilizer research facilities of the Tennessee Valley Authority, and for other purposes, which would implement recommendations Nos. 20 (a) and 20 (b) of the Report on Business Enterprises.

Second. A bill to provide for the termination of the postal savings system which would implement recommendation No. 10 of the Report on Business Enterprises.

Third. A bill to transfer to Federal prison industries all functions of the Post Office Department with respect to the manufacture and repair of mailbags, cord fasteners and locks, which would implement recommendation No. 12 of the Report on Business Enterprises.

Fourth. A bill to provide for the closing of certain commercial-type enterprises operated by civilian departments and agencies of the Government, and for other purposes, which would implement recommendations Nos. 21 and 22 in the Report on Business Enterprises.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. SMITH of New Jersey, were received, read twice by their titles, and referred, as indicated:

To the Committee on Public Works:

S. 2737. A bill to provide for the transfer to the Department of Agriculture of the fertilizer research facilities of the Tennessee Valley Authority, and for other purposes.

To the Committee on Post Office and Civil Service:

S. 2738. A bill to provide for the termination of the Postal Savings System.

To the Committee on Government Operations:

S. 2739. A bill to transfer to Federal Prison Industries all functions of the Post Office Department with respect to the manufacture and repair of mailbags, cord fasteners, and locks; and

S. 2740. A bill to provide for the closing of certain commercial-type enterprises operated by civilian departments and agencies of the Government, and for other purposes.

AMENDMENT OF DEFENSE PRODUCTION ACT—CHANGE OF CONFEREE

On request of Mr. SMATHERS, and by unanimous consent, the Senator from New York [Mr. IVES] was appointed a conferee on the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, in place of the Senator from Ohio [Mr. BRICKER].

AUTHORIZATION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORT DURING ADJOURNMENT

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be permitted to file a report during the adjournment of the Senate summarizing its activities during the 84th Congress, 1st session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HILL:

Statement made by him before Senate Public Works Subcommittee on TVA power-financing bill, on July 27, 1955.

By Mr. BRICKER:

Excerpts from Memorial Day address delivered by Judge James L. McCrystal, published in the Sandusky Register-Star-News of June 1, 1955.

Editorial entitled "Reduced Taxes Possible Under Hoover Economies," published in the Columbus (Ohio) Dispatch.

By Mr. MURRAY:

Article relating to the boxcar shortage, written by Robert E. Bedingfield and published in the New York Times of July 31, 1955.

By Mr. THYE:

Article entitled "Helpful Echoes From Geneva," written by Frank R. Kent, and published in the Washington Sunday Star of July 31, 1955.

By Mr. GOLDWATER:

Article on United States planes shot down by the Russians, written by the Brewery Gulch Philosopher, and published in the Brewery Gulch Gazette, of Bisbee, Ariz.

By Mr. ALLOTT:

Editorial entitled "One Foot on the Soil—A Way of Life," written by Lyle L. Mariner, and published in the Western Colorado Reporter of July 27, 1955.

By Mr. BEALL:

An analysis by the United States Tariff Commission with reference to the remanufacture of imported watches to increase their jewel count.

RELEASE OF 11 AMERICAN FLYERS BY CHINESE COMMUNISTS

Mr. CLEMENTS. Mr. President, the wire services have just carried the welcome news that the Chinese Communists are releasing the 11 American fliers they have imprisoned on trumped up charges.

This is a bulletin which will bring rejoicing to Americans everywhere. It will gladden the hearts of the families of these men who have lived through so many long and agonizing months of fear and frustration.

But it is a joy and a gladness that will be tempered by the thought that many Americans are still imprisoned in the jails of Red China. Those prisoners have endured an even longer and even more helpless captivity.

There is little doubt that the Chinese Communists intend the release of the fliers to be a gesture which will soften the heart of America. We accept what has been done with rejoicing, but we also accept it in the full knowledge that by itself it does not establish Communist good faith.

Because of the 11 who have been released, we are not going to surrender our claim to justice for those who are still in prison. Neither are we going to consider Red China a responsible nation because it has ended its barbarity toward a small group of our nationals.

The Communist mind appears incapable of understanding that we believe justice should apply to all men equally, and not merely at the discretion of the state. So long as Red China is unjust to one American, there will be a deep bitterness within our hearts.

We are hopeful that the act of releasing the fliers is the first step toward a more reasonable attitude. But it is only one step, and many more must be taken before Americans will have any feeling other than that of outrage.

Mr. KNOWLAND. Mr. President, I wish to commend the acting majority leader, and to associate myself with him in his remarks. In addition, I wish to say that the American people will welcome home the 11 American airmen, not as pardoned criminals, as they are called on the broadcast from the Peiping radio, but as honored members of our Air Force who have been illegally held by the Chinese Communists for 2 years, in flagrant violation of the terms of the Korean Armistice.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. THYE. I ask that I may be associated with the minority leader, as well as the acting majority leader, on this question.

Mr. KNOWLAND. I thank the Senator from Minnesota.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. As the Senator from California knows, he and I have spoken on this subject on past occasions. I wish to associate myself again with the remarks of the Senator from California and those of the Senator from Kentucky concerning the release of the 11 American airmen; but it is equally important, in the interest of justice, that other Americans be released from Communist jails. I understand some of them are missionaries who have been incarcerated as a result of missionary activities in Red China in which they tried to spread the gospel of the Savior whom we love.

Mr. KNOWLAND. I think the evidence is beyond dispute that the Chinese Communists not only hold American missionary civilians, but they have held some of them for as long as 4 or 5 years. Some of them have been held with leg and arm chains, under prison conditions which would be considered barbaric by any civilized nation of the world. There are professional and business people who have been held for a period of from 3 to 4 years and upward.

Mr. MORSE. I wish to add one additional facet to this discussion, because I think it is important. I commented on it before, but it needs to be emphasized today.

The Chinese Communists not only hold Americans, whose release we should continue to do everything we can to bring about, but they hold nationals of some other countries, such as Canada to the north of us, and England. I think Canada and England should be exerting greater efforts, along with us, than they have been doing, to secure the release of all these persons by way of the juridical processes of the United Nations. I do not believe we should be standing alone as to the extent we are in efforts to regain freedom for those who have been so unjustly incarcerated. So I raise my voice today to Canada and Great Britain and other free nations to join with the United States in making it clear to Red China that we think the time is long past when Red China ought to be at least willing to submit itself to the juridical processes of the United Nations, because when that is done, I am sure the finding will be that the prisoners should be released forthwith.

Mr. KNOWLAND. Mr. President, I think the senior Senator from South Carolina desired that I yield to him, and I do so.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask a question of the Senator from Oregon. From his remarks I gather that he believes we should get Canada and England to work with us, and that he takes that position because he believes we probably would get better results if we united and worked together. Is not that correct?

Mr. MORSE. Yes. I think the Communists always respect unity of action on the part of the free nations, and I am always discouraged when the free nations do not act in unison against the ravages of the Communists.

Mr. JOHNSTON of South Carolina. I agree with the Senator from Oregon.

Mr. CLEMENTS. Mr. President, several Senators desire to speak in connection with this matter, inasmuch as there is considerable interest in it. Therefore, I ask unanimous consent that at this time 5 minutes may be allowed for the remarks which may ensue on this subject.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President——

Mr. CLEMENTS. Before yielding to the Senator from Montana [Mr. MANSFIELD], I should like to express to the Senator from California [Mr. KNOWLAND], the Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], and the Senator from South Carolina [Mr. JOHNSTON] my complete understanding of the views they have set forth in regard to this subject. I appreciate the kindness of their expressions regarding what the minority leader and I have had to say.

I could not agree more fully with anything than I do with what the Senator from Oregon said regarding the need of our friendly allies joining with us in the strongest manner in which they are capable to gain the release not only of nationals of our country but also the nationals of every other freedom-loving country on the globe.

Mr. MORSE. Mr. President, I thank the Senator from Kentucky very much, indeed.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. CLEMENTS. I yield.

Mr. MANSFIELD. I wish to associate myself with the remarks made by the majority leader, and to state that I am indeed happy that the 11 uniformed American airmen have been released. I am especially happy because one of them happens to be from my home town of Missoula, Mont., Capt. Elmer Llewellyn.

It is my hope that this action will be only the start, insofar as the Chinese Communists are concerned, in releasing other Americans, especially civilian Americans who are under house arrest or other imprisonment.

I think it should be pointed out that a considerable number of Americans are imprisoned, in one way or another, in China. They are entitled to every possible consideration.

I hope this start will be continued, to the extent that all the others will be released soon.

I should like to call attention to the fact that the Chinese Communists are not doing us a favor by releasing these men. They should never have been imprisoned in the first place. They should have been held as prisoners of war. They were held illegally, contrary to the Geneva convention; and, at the very latest, they should have been released at the time of the Korean truce agreement.

So, Mr. President, I join in voicing the hope that this is only the beginning of the release of all Americans who are held under Communist house arrest or in Chinese jails. I also want the Senate to know that Mrs. Marjorie Llewellyn, wife of Captain Llewellyn, has been most considerate and understanding during the long ordeal. To her I extend a personal salute and my relief that her days of travail are almost at an end.

Mr. CLEMENTS. Mr. President, I thank the Senator from Montana for his remarks. I wish to say to him that I am convinced that the views he has expressed are shared by all Members of this body and by all the American people.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(The conference report will appear in the House proceedings tomorrow.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, I suppose the Senator from California is about to make the same objection he made previously. The Senator from Indiana [Mr. CAPEHART] and the Senator from New York [Mr. IVES], are temporarily out of the Chamber, and I assured them that when the matter came up I would suggest the absence of a quorum. Therefore, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, the conferees met and agreed on the conference report. The principal point involved was with reference to men who are brought into the Government service without compensation, the so-called w. o. c. men.

The principal point of difference between the conferees related to the reporting requirement pertaining to the w. o. c. The major part of the amendment of the House relating to the w. o. c. was followed; but with reference to the reporting, it was the feeling of the Senate conferees that the language of the House provision went too far. Therefore, the Senate conferees proposed amended language which I should like to read to the Senate. If any Senator wishes to have a copy for himself, I have several copies with me and shall be glad to supply one to any Senator who may desire it. I read:

W. O. C. REPORTING REQUIREMENT

(3) Each person appointed under the authority of this subsection shall file under oath with the head of the employing agency at the time of employment a full and complete statement of the amount and sources of all income and gifts in excess of $100 received by him during the preceding year and a full and complete statement of all assets held by him or by him and his spouse jointly; and the amount of each liability owed by him or by him and his spouse jointly; and every 3 months thereafter while serving under this subsection a full and complete statement with respect to the preceding 3 months of the amount and sources of all income and gifts in excess of $100 received by him and all changes in the assets held by him or by him and his spouse jointly, including all dealings in securities or commodities by him or by any person acting on his behalf or under his direction. All such statements shall be filed with the Joint Committee on Defense Production.

That is the language that constituted the principal point of argument between the managers on the part of the respective Houses.

There was one other change. The Senate had extended the act for a period of 2 years. The House had extended it for 1 year. The Senate receded from its position and accepted the House provision.

I believe those are the principal differences in which the Senate would be interested. Without further ado, I shall yield the floor, for the purpose of any comment which any other conferee may wish to make.

Mr. CAPEHART. Mr. President, I should like to have the pages distribute to each Senator a copy of the amendment on which I am about to speak. When Senators have received their copies, I should like to tell them how to amend the report, because it should be amended.

Mr. DOUGLAS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. May I ask whether it is possible to offer an amendment to a conference report? Must not the report be either accepted or rejected?

The PRESIDING OFFICER. The Chair will advise the Senator that the conference report cannot be amended.

Mr. DOUGLAS. It cannot?

The PRESIDING OFFICER. That is correct.

Mr. CAPEHART. As soon as the amendment has been distributed to each Senator, I want to state how the amendment ought to be changed. I want to be fair in my statement. There is a change in it, and I do not desire to have any misinterpretation.

The conferees on the defense production bill were in agreement on every matter with the exception of the one about which I shall speak. I never thought I would live to see the day when the United States Senate or House of Representatives would be considering the passage of such legislation, or such an amendment, as I am about to read:

(3) Each person appointed under the authority of this subsection shall file under oath with the head of the employing agency at the time of employment a full and complete statement of the amount and sources of all income and gifts in excess of $100 received by him during the preceding year and a full and complete statement of all assets held by him or by him and his spouse jointly and the amount of each liability owed by him or by him and his spouse jointly; and every 3 months thereafter while serving under this subsection a full and complete statement with respect to the preceding 3 months of the amount and sources of all income and gifts in excess of $100 received by him and all changes in the assets held by him or by him and his spouse jointly, including all dealings in securities or commodities by him or by any person acting on his behalf or under his direction. All such statements shall be filed with the Joint Committee on Defense Production.

Can Senators find anything more ridiculous, more un-American, more suggestive of the police state, than picking out a few people in the United States who are willing to volunteer their services, to come to Washington, and to work for the Government, and then be required to file statements of their assets and liabilities, and of the gifts over $100 in value, they may have received during the preceding 12 months, and then require them to file such statements with the Joint Committee on Defense Production? The Joint Committee on Defense Production will not have the right to give the information to the press; the committee is going to sit on the information. In addition to that, the w. o. c.'s will be required to file such statements with the agency which intends to hire them. What are we thinking about?

One of the great virtues of the Eisenhower administration has been that not once has he pitted class against class. Not once have I heard the President condemn the rich or the poor. Not once have I heard him compare the colored with the noncolored. This has been a great relief to me, as I know it must have been to the American people as a whole.

Yet Congress is about to adopt an amendment to the Defense Production Act, agreed to by the conference, which will require that a man who has come to work for the Government for 3 months or 6 months shall first file with the employing agency, and then with the Joint Committee on Defense Production, a statement of not only his assets but also his liabilities. Furthermore, every 3 months he must file with the Joint Committee on Defense Production such a statement, and the committee is denied the right to publish it; it must hold the report in secret. What is the purpose of that?

I offered an amendment, which I pleaded with the conferees to accept, to have such statements filed and then published in the Federal Register, so that the world would know for whom the persons are working, the salaries they are receiving, the companies in which they own stock, or the partnerships in which they have interests.

But no. The conferees wanted to know everything about the lives of the w. o. c.; and they propose to have statements filed, which would be kept secret. They wanted to keep the information away from the press. Whom do they want to have see the information?

I should think the purpose of obtaining such information would be to throw light upon the w. o. c, so that everybody

would know who their previous employers were, or in what companies they held stock.

But no. It is proposed, just as in a police state, to file the information and to say that it cannot be made public.

I am amazed—I am downright amazed—that men who are over 21 years of age and in their right minds should think of proposing such a thing.

If Members of Congress do not like businessmen, let them say so. I am a businessman and have been a businessman. At one time I was a hired hand on a farm. At one time I worked in a factory. For many years I was a salesman. At the time I came to the Senate I was a businessman.

If Senators who are promoting the amendments do not like businessmen, if they think businessmen are crooks or bums, why do they not simply eliminate entirely any opportunity for such men to work for the Government, or even to seeking employment with the Government.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JOHNSTON of South Carolina. I am seeking information. Was this provision placed in the bill in the House or in conference?

Mr. CAPEHART. This was an amendment, if you please, by the conferees. It was adopted by neither the House nor the Senate; it was an amendment included by the conferees.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. It is true, is it not, that the House had a provision in the bill which went further than the Senate version, and that the present language really represents a compromise between the bill as passed by the Senate and the bill as passed by the House?

Mr. CAPEHART. There is no question the House had legislation on the subject in the bill, as did the Senate, but this particular amendment was worked out by the conferees. Why do we not be perfectly frank and honest? The first attribute a Senator should possess is frankness and honesty. If Senators do not like businessmen, if what they want working for the Government is men who have gone bankrupt, who are failures, and are without experience, then why do they not say so?

Mr. IVES. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. IVES. It occurs to me at this point in the debate that it might be well to read the subdivision or paragraph which was deleted and for which the paragraph which has just been quoted by the Senator from Indiana was substituted. I now read that language:

(3) Any person appointed under the authority of this subsection shall file, under oath, with the head of the employing agency at the time of employment a full and complete report of his outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, corporation, or other entity, or any trade organization, labor union, or similar organization, and he shall file monthly thereafter, under oath, so long as his appointment shall be in effect, any changes in such outside connections.

If the Senator from Indiana will let me comment for a moment——

Mr. CAPEHART. I yield, provided I do not lose the floor.

Mr. IVES. It seems to me the substitute which was offered, and which was adopted by the conferees, is even worse than the provision in the House bill which I just read. Personally, it is so distasteful to me that I did not sign the conference report, and I intend to vote against the conference report. The language would, in effect, do exactly what the Senator from Indiana said it would do. It would keep out every last person qualified to do this kind of work for the Government. No man with any self-respect, with any independence, would want to come to Washington and work for the Government under those conditions.

Mr. SPARKMAN. Mr. President, will the Senator yield for a comment?

Mr. CAPEHART. I yield for a question.

Mr. SPARKMAN. The distinguished Senator from New York indicated, if he did not say outright, that the provision which the conferees reported was more strict than was the House language. Let me call his attention and the attention of other Senators to some of the House language.

Remember, under the language of the House, every single one of the persons employed had to give a full and complete report. Now listen to the things they had to report:

His outside connections, listing all personal and financial relationships which he has or had within 12 months prior to his appointment with any person, firm, or corporation.

I say that any person who will take the two provisions, and compare them side by side, will see that we did modify and moderate the House provision.

Mr. CAPEHART. I was against the language in the House bill, and I am equally against the language of the conference report, because the language in both provisions is wrong.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. IVES. I should like to observe, in that connection, that two wrongs do not make a right. I was also opposed to the language in the House bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. AIKEN. I should like to say that the requirement that a person make a complete statement of all the assets held by him, or by him and his spouse jointly, would compel him to report the fact that he sold his car and bought another one. I have never seen such a disgraceful requirement as this proposal made by our friends across the aisle. It is simply an attempt to hamstring the present administration to the greatest extent possible. If a person bought a dog, he would have to report that fact, under this provision. That would be a change of assets. If he bought a barn, he would have to report it. What self-respecting person would take a position with the Government, no matter how badly he was needed, if he had to report all changes in assets held by him, or by him and his spouse jointly? I say that because, even though I have never thought too much of dollar-a-year men, and I think they should be watched closely, when anything so vicious as this provision is proposed, I think the Senate should demonstrate its resentment.

Mr. IVES. I thank the able Senator from Vermont, and I agree. For example, if a person were to deposit a dollar, he would have to report it, if he were to follow the language technically.

Let me point out another thing the provision contains. In the first part of the amendment it is provided that the person must file with the head of the employing agency at the time of employment a full and complete statement. Then down below it is provided that all such statements shall be filed with the Joint Committee on Defense Production.

Mr. THYE. Mr. President, will the Senator yield?

Mr. IVES. I yield, if I have the floor.

Mr. THYE. I am surprised to think that any conferee representing the United States Senate would, in the manner in which this amendment to the Defense Production Act has been drafted, write into a bill language of this kind, because it is certain that no self-respecting man, or man worthy of hire, would enter into a contract with his government if he had to comply with such a ridiculous provision. This is just an attempt to embarrass the administration, so that the administration will not be able to get men who are worthy of their hire to serve the Government.

Mr. GOLDWATER. Mr. President, I should like to ask the distinguished Senator from Indiana if the provision in the amendment which states that a person shall make a full and complete statement of all income and gifts in excess of $100 would mean that if he received a wristwatch from his wife for Christmas, which was worth in excess of $100, he would have to report it.

Mr. CAPEHART. Yes, he would.

Mr. GOLDWATER. If he received a birthday present from his father which was worth in excess of $100, would he have to report it?

Mr. CAPEHART. Yes.

Mr. GOLDWATER. How stupid can we get?

Mr. CAPEHART. I have asked that question a couple of times. I do not know. I honestly believe the conferees did not think the matter through. That is why, before I sit down, I am going to make a motion that the Senate recommit the bill to the conferees.

Let me say that for many years, for 20 years, at least, our opponents were using businessmen in Government. I have a list, which I may put into the RECORD a little later, of more than 100 multimillionaires who were used over a period of many, many years by Presidents Roosevelt and Truman.

I have no objection to that record at all, but I merely wish to point out that evidently it was all right so long as the Democrats were running the Government, but now that President Eisenhower is in charge of the executive branch of

the Government, that sort of thing is all wrong.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. The Senator from Indiana tries to be fair. Is it not true that the provisions of the conflict-of-interest statutes were waived in time of war, and permission was granted to hire men without compensation? Were they not waived by President Roosevelt in World War II, and were waived by President Truman at the time of the Korean war. Is it not also true that this is the first time in peacetime, when we are not engaged in war, and when no war exists anywhere, that the criminal statutes on conflict of interest are being waived? That is really the point at issue.

Mr. CAPEHART. Mr. President, this is also the first time in the history of the Nation that the Congress—the Senate as well as the House—has passed a Defense Production Act in which Congress has mandated and directed the executive branch to prepare for an emergency and to work out ways and means and policies in order to know exactly what to do the day an emergency breaks out.

In doing that, it is necessary that we use these men of experience, just as they are used at the beginning of an emergency. My position is, why wait until an emergency strikes, before knowing what we shall do?

To show the ridiculousness of this provision, let us recall that the bill provides that if a war begins, these persons can be employed without regard to the conflict-of-interest statutes and yet in preparing for war, in deciding what we shall do, in working out the rules and regulations and policies, the appointment of such men must be governed by an amendment such as the one I have read.

Mr. IVES. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. IVES. I merely wish to point out the declaration of policy in connection with the bill, as the act was proposed to be continued. I should like to read it. It was deleted by the House from the House version of the bill, but later was restored. So in the conference report it still appears.

I now read it:

DECLARATION OF POLICY

SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States.

That clearly shows that we are not exactly in a condition of peace, and that the conditions which pertain in a period of peace do not pertain in these circumstances.

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Is it not true that in time of war we can waive many of the requirements which properly apply in time of peace—in other words, that war requires speed and furthermore, that in time of war there is an intense patriotic feeling which is stronger than that existing in time of peace.

But should we waive, for the first time in the history of the United States, the conflict-of-interest statutes, without even requiring disclosure? That is the point.

I think it is in the sixth chapter of Matthew that we find the words—

No man can serve two masters.

And the Bible also says—

For where your treasure is, there will your heart be also.

Mr. CAPEHART. Mr. President, the bill amply provides that such persons cannot make policy, and that anything having to do with policies, contracts, or decisions must be taken up with salaried Government employees. The old bill covered that. The Executive order written by President Truman, under which the whole program is being operated, covered that.

Now these additional requirements are proposed. To be frank, this proposal is only a slap at the businessmen of America.

The reason why we won World War I and World War II—and it is the reason why we will win the next war—was the productive capacity of the United States. The reason why we are the greatest nation in the world is that we have our private-enterprise system; it is our great asset which has been built up by large-business men and small-business men, by homeowners and farm owners. The man in business creates jobs. At this time to come forward with an amendment such as this one, is nothing but an attempt to slap the businessmen of the Nation in the face.

I think possibly the Eisenhower administration can get along without the services of these persons. But I am appalled at the very idea that the United States Congress would even attempt to amend the law in such a way as to say to such persons, "You must list your liabilities and your assets every 3 months." Mr. President, the philosophy of any such proposal is bad. We ought not begin such a procedure.

If such a provision is enacted into law, we shall regret it, because the next step will be to enact such a law with respect to those working full time for the Government, and the next step will be to enact such a law to be applied to all the Members of Congress, both in the House of Representatives and in the Senate.

Why do not those who recommend this measure introduce proposed legislation that every Member of Congress and his wife must list all their liabilities and all their assets every 3 months? I should like to see a Member of Congress try to get Congress to enact such a law. Why not deny Members of Congress the right to make speeches for pay, without reporting the amounts paid to them and the names of the organizations they address?

So, Mr. President, what is being attempted in this case?

Mr. LANGER. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LANGER. I wish to say to my distinguished friend that such proposed legislation has been introduced time and time and time again; but in the 15 years I have served here such a bill has never been reported from committee. I do not see why any honest man should not be willing to make such a statement.

Mr. CAPEHART. But why should those who are working for the people of the country be required to file such statements of assets and liabilities every 3 months? Why should that be required, when it is not required of others?

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. What we propose is the waiving of the criminal statutes and criminal punishments against conflicts of interest. We would merely require disclosure, as a substitute.

Mr. CAPEHART. I am in favor of doing that, and I am in favor of denying such persons the right to make policies; and we have written into the act that such persons cannot make policies, and that they are to serve only in advisory capacities. That is as far as we can go. To go further—as would be done in this measure—would be, I repeat, to slap every businessman in the United States in the face. I think a businessman is just as patriotic as a Senator.

Again I say I care not who is involved, or whence he comes. In any case, we dare not enact a measure requiring such a person and his wife to list their assets and their liabilities and their gifts, and to file a new list every three months.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I am somewhat surprised that the Senator from Indiana would become so worked up over this matter.

Mr. CAPEHART. The Senator from Alabama will remember that I was worked up about it in the committee.

Mr. SPARKMAN. Let us remember that these persons are not regular, paid, Government employees; instead, these are persons whose allegiance is primarily to private concerns, on whose payrolls they are; and, as the Senator from Illinois has pointed out, to a great degree they enjoy immunity from the conflict-of-interest statutes.

But the Senator from Indiana will recall that he proposed a plan calling for the listing of all the stock holdings of each of these persons, to be published in the Federal Register, for all the world to see.

In this case we provide for a financial statement to be filed in the confidential files of a congressional committee. I do not see the objection to that proposal.

As a matter of fact, I may say to the Senator from Indiana, there it a big question, to my mind, as to whether we should use any of these persons in the Government service in peacetime.

Mr. CAPEHART. Why do we not be honest and say that we do not want any of them, rather than adopt this kind of amendment?

Mr. SPARKMAN. I think the Senator knows that there is no intent on the part of anyone to embarrass any administration, or the President, or anyone else. Before the beginning of World War II committee after committee reported against the use of dollar-a-year men. When we got into the war, the situation was different.

I believe it is safe to say that every congressional committee which has ever studied this question in time of peace has recommended against the use of dollar-a-year men when that proposal is made in time of peace. Let the Government use them, but we are saying that we ought to know something about their financial condition and their financial dealings, not for the purpose of spreading the information on the pages of the Federal Register for all the world to read, but to keep in the confidential files of the committee.

Mr. CAPEHART. Under my counter-proposal or substitute we would be absolutely frank and honest. My proposal was that we print the information in the Federal Register, so that every newspaperman, or anyone else in the world, would know for whom these men were working and who was paying their salaries, and they would be compelled to list their stockholdings or interest in any partnership, so the world could see the information.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. In a moment.

Yet Senators come along with an amendment requiring a statement of liabilities, assets, and gifts. They propose to hide the information in some committee, and deny the press access to it. What is the reason for filing the information, then?

Would it not be better for the world to know who the employer is? To me there is nothing wrong with that. I would have no objection to that. I would have no objection to listing the fact that I own stock in 5 or 6 companies, if I were 1 of these employees. But I certainly object—and I think it is all wrong—to bringing my wife into the picture and being compelled to list in detail all my assets.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Of course, the wife is brought into the picture only in connection with joint holdings.

Mr. CAPEHART. I must list all my assets, all my gifts above $100, and all my liabilities. Every 3 months, as they change, I must file new reports.

I am a farmer. I suppose that when I harvest my corn and put X bushels in the crib, I must report that I have 10,000 bushels of corn, or whatever the number is, or that I have so many bushels of oats, or that my sow has just had so many pigs. I suppose I must list all that information. Also, I must list the fact that during that past 90 days I have sold so many pigs, and have so many pigs left.

That is what is required. Would it not be much more simple, and much fairer to let the world know who the man's employer is? Let the world know the companies in which he owns stock. Then the press can watch him, if we want him watched. The world can watch him, if we want him watched. But if all this silly information is filed with the committee, and the committee is required to keep it secret, what good does it do?

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BUSH. Does not the Senator agree—and I say this apropos of what my friends the Senator from Illinois and the Senator from Alabama have said about peace—that we are talking about amending an act called the Defense Production Act? We are talking about it at a time when two-thirds of every dollar we spend in the Federal budget goes for purposes of national security, including the foreign-aid program. That does not suggest that we are in a very peaceful pasture, or that we expect to be within the next year or so.

It is thought by this administration and by others that in order to attract to the Government, and especially to the administration of the Defense Production Act, people who know about the producing facilities and industries of the United States, we must do certain things at this time, in this uneasy period, which perhaps we would not do if we were genuinely at peace. So I beg my friends to consider this not as a peacetime measure, but as a defense measure.

The President has said many times that we live in an age of peril. We know that we do. What were we talking about in Geneva? We were trying to develop such a situation that we could begin to reach for peace. Perhaps we are moving in that direction, but no one is proposing that we cut the military budget substantially at this stage of the game.

So I beg Senators not to force upon us a situation which would literally prevent businessmen with any self-respect from coming here and subjecting themselves to this kind of discipline. It is wholly unnecessary, and it would have a very deleterious effect upon our ability to persuade helpful people to come to Washington to assist in administering the Defense Production Act.

Mr. CAPEHART. The bill permits them to come here and work for the Government without this amendment applied if there is a war. I ask this question: If war should strike tomorrow, we would need them. The bill says so. Would it not be better to permit them to come in advance and help us formulate the policies we intend to use, so that we would know exactly what we were to do if and when a war emergency should strike. Is not that preferable to losing precious days, weeks, and months in deciding what we are to do?

What more can we do? If we deny them the right to make policy, and say, "You must publish in the Federal Register the name of your employer and the names of the companies in which you own securities, or the companies in which you are a partner, if they are not corporations," why should we go any further than that? Why do we want to go further than that? Are we not establishing dangerous precedents when we go further?

We ask a man and his wife to list their liabilities and their assets, when they are jointly owned. We ask them to report every 90 days. I do not believe they could do so honestly. I presume a man could keep up with the changes but he would have to have a bookkeeper to do so.

The kind of men we want are men of experience. Otherwise they are of no use to us. What good is a man who has had no experience? We want men with experience. We shall not get men of experience under this kind of amendment.

Why do we try to make it easy for men who have been failures to serve the Government, and then make it difficult or impossible, or embarrassing, for people who have been successful? My observation is that those who have made this Nation great, successful, and prosperous, have been the successful people, not the failures.

No self-respecting man would subject himself to this kind of discipline. He would be fearful that he might violate the provisions of this amendment. I do not know how he could possibly keep from violating them.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HUMPHREY. I must say that the Senator makes a very strong case against this amendment.

I think there was a desire in the Senate to write some protective language into the Defense Production Act pertaining to the so-called w. o. c.'s. I was not a member of the Committee on Banking and Currency or a member of the conference committee. I make only a passing remark.

I sense that the Senator from Indiana has righteous indignation over this language. He is a very powerful opponent. I wish he had had as much righteous indignation over deleting from the housing bill 10,000 housing units for old people. It is an amazing thing that whenever any of the sacred cows of our society are touched, there is a great hullabaloo.

Mr. CAPEHART. Mr. President, I did not yield to the Senator for the purpose of making a speech.

Mr. HUMPHREY. Does the Senator feel the same pangs of conscience with respect to the provision for housing for the aged, which was knocked out, as he feels with respect to this amendment?

Mr. CAPEHART. The able Senator from Minnesota was not a member of the conference. Therefore he does not know what the Senator from Indiana said or did not say. At no time did the Senator from Indiana ever talk in favor of deleting the provision for housing for the aged. In fact, I was for keeping it in. I offered an amendment to provide, not for 45,000 housing units, but 50,000.

The able Senator is trying to change the subject entirely. Let us stick to this subject and not take up another. I ask

the Senator to give me one good reason why a man and his wife should be required to file a list of their assets and liabilities in order that the husband may come to Washington to serve the Government and help the Government at the Government's invitation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield for a question.

Mr. HUMPHREY. The Senator has almost persuaded me on this issue, and will persuade me if he does not become too exuberant about his position. I said I thought the Senator was making a fairly good case. I was wondering, however, whether the Senator felt the same sort of spiritual indignation against what Congress does to other people. I should like to hear the Senator say whether he feels the same sense of indignation when poor, humble employees are required to file information about their grandfather, grandmother, uncle, aunts, and nieces for three generations under a security program of the Government. I wonder whether he feels the same sense of moral indignation in such cases. On this issue he is showing the wrath of the Old Testament. However, I wonder whether he would show the same kind of righteous indignation and Old Testament wrath about other things, and whether he would become so excited when some poor humble servant of the Government is falsely accused under a security program of the Government, and whether he would become so excited about the Ladejinsky case, for example.

Mr. CAPEHART. Mr. President, I did not yield to the Senator from Minnesota to make a speech. I stand on my own record on those subjects, because the Senator knows I have stood on the floor of the Senate defending a man I thought had been falsely accused. He is a man by the name of Young.

I have done so before, and I shall continue to do so in the future. The Senator from Minnesota is up to his usual tactics. He would like to divert attention from the main subject. He is very good at that. I congratulate him on being able to divert attention from the subject under discussion to other subjects.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HUMPHREY. The Senator from Indiana was in such splendid form tonight that he got to the point where he almost persuaded me. I was buying everything he said. I just wondered whether he wanted to take his moral indignation into other areas. If so, we could clean up a number of proposals this evening. He proposes that we recommit the conference report to the conferees because of the amendment under discussion. Yet we have been told time after time we cannot send anything back to conference, because if we do we will lose the whole bill.

Mr. CAPEHART. I did not yield the floor for the purpose of having the Senator make a speech.

Mr. HUMPHREY. I am glad to have had the opportunity to say what I did.

Mr. CAPEHART. This is one conference report which ought to be sent back to conference, and I shall make my motion to send it back in a minute.

In closing, I must say that I am still amazed that Members of the Congress would propose such an amendment as this. I simply cannot understand it. I can understand trying to tighten up the rules and regulations under which these gentlemen are to operate, and we had such a provision in the bill. Another provision we had in the bill was President Truman's Executive order, which he wrote back in 1950 or 1951, governing employment or service of this sort. We made that order a part of the proposed legislation. We made it a part of the bill.

We are talking about this provision of the bill, not about another matter.

Mr. President, I move that the conference report be recommitted, with instructions to the Senate conferees to strike the language on page 8, starting on line 11 and going through line 20.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. The Senator from Illinois would like to inquire whether it is in order to move to reject a conference report stating the specific points upon which the report is to be rejected.

The PRESIDING OFFICER. A motion to recommit takes precedence over the question of agreeing to the conference report.

Mr. DOUGLAS. I raise the point of order, therefore, that the motion of the Senator from Indiana is out of order.

The PRESIDING OFFICER. The question must be put in the affirmative, rather than the negative form.

Mr. DOUGLAS. I make the point of order that the motion of the Senator from Indiana is out of order.

The PRESIDING OFFICER. The Chair is advised that, since the House has not agreed to the report, the motion is in order.

SEVERAL SENATORS. Vote! Vote!

Mr. ALLOTT. Mr. President, I should like to suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, will the Senator withhold his suggestion for a moment so that I may propound a parliamentary inquiry?

Mr. ALLOTT. I withhold my suggestion of the absence of a quorum.

Mr. SPARKMAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. As I understood the motion of the Senator from Indiana, it was to recommit and to instruct. Are both parts of the motion in order at this time?

The PRESIDING OFFICER. A motion to recommit with instructions is in order. The question is on agreeing to the motion of the Senator from Indiana.

Mr. MORSE. Is the motion subject to debate?

The PRESIDING OFFICER. The motion is debatable.

Mr. MORSE. Mr. President, I shall be very brief. I believe we need to review a little history on the w. o. c. controversy in Congress this year. When the matter came before the Committee on Banking and Currency originally, 2 or 3 months ago, we held prolonged hearings on the matter, and a considerable amount of discussion in committee.

Very briefly, the result of the hearings in the committee was the adoption in committee of the Morse amendment on the w. o. c. issue. In essence, the amendment provided that the w. o. c.'s could be called to Washington for advisory work and consultative work, but that they should not be put in administrative and policymaking positions.

The Morse amendment was adopted in committee. It was in the bill when it came to the floor of the Senate. We are familiar with the debate that took place on the floor of the Senate. By a vote of 46 to 45 the Capehart amendment was adopted. In effect, the adoption of the Capehart amendment knocked out the Morse amendment. It was a vote which was decided on a straight party line. That is the sort of vote I always regret in the Senate on a controversial issue. In my 10 years in the Senate I have seldom found my colleagues in disagreement on the merits of an issue on the basis of their membership in a party. Irrespective of which side of the aisle we sit on, we do not generally disagree on an issue on the basis of our party membership. Yet on this issue it was very obvious that the vote was cast on the basis of a strict party-line mandate.

We went into conference. The House had language in its bill which I preferred to the Capehart amendment adopted by the Senate. There is some dispute among us whether the House language is more exacting than the language which was finally adopted in committee. As I sat in conference and listened to the House conferees particularly the able arguments made by the distinguished Representative from Texas [Mr. PATMAN], I decided the House language was preferable to the Senate language, and I believe the RECORD will show that I made the first motion that the Senate recede.

There was then a roll call in the House, and the conference had to recess. We were to come back an hour later. During the interim, agreement was reached on the language which was finally adopted, although several alternatives had been proposed. My friend the Senator from New York [Mr. IVES] had offered a substitute, and I believe the Senator from Illinois [Mr. DOUGLAS] had also offered an alternative. I believe the clerk of the committee, not by way of recommendation, but by way of draftsmanship—came out with the final form in which the amendment was adopted.

The argument which persuades me over all others was made by the Senator from Illinois, that we are, for the first time in our history, short of war, asked to waive criminal statutes in regard to conflicts of interest.

No one objects to these dollar-a-year men working for the Government. If they want to work for the Government and not have any restrictions imposed upon them as to the filing of information

which we are entitled to have in order to pass judgment upon their course of action in policymaking positions, they can resign from their positions in business and come in as Government career employees, as have other Government career employees. But the danger which concerns many about this matter is the fact that these people, purportedly working for the Government, receive their pay from the corporations in which they are officers or from labor unions in which they are officers.

There has been much talk about it from the standpoint of business. This is a universal matter. There are involved w. o. c.'s from labor, agriculture, and many other economic groups.

My position is simply that I do not think the criminal statutes in reference to conflicts of interest, should be waived when a man comes into Government service, and occupies a position in which it is possible for him to render judgment and make policies, when at the same time he receives pay from a corporation, a labor union, or a farm organization. We think that in peacetime we ought to scrutinize very carefully the decisions such a person makes, and we ought to have a full disclosure as to his sources of income.

The Senator from Indiana has commented upon the fact that we do not require it of ourselves. We should. Year after year, since 1946, I have offered a proposal to have every Member of Congress file with the Secretary of each House each year the sources and the amount of his income. I see no reason why that should not be a matter of public disclosure. I am willing to vote for that tonight, if it should be taken up.

Mr. SPARKMAN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. I think the Senator makes a very fine point, with which I am certainly in agreement. But may I remind the Senator that we are not immune from the conflict-of-interest statute.

Mr. MORSE. I was coming to that. We are not immune from the conflict-of-interest statute; and I think, Mr. President, that we should not be asked to waive the criminal statute in peacetime. I think it has proved itself to be a sound historic policy. It is quite a different thing in time of war, when men are motivated by patriotic impulses in doing everything they can for the successful prosecution of the war.

We have come out of conference with this proposal. The total bill, in my judgment, is of much concern to defense mobilization. I think the conflict we have had over w. o. c. should go over until January. We can accept this bill as it came out of conference, and if the Senator from Indiana wants to propose an amendment next January we can thrash it out then. But I do not think, in these dying hours of Congress, we should get into this so-called hassle.

I say, goodnaturedly, Mr. President, that I think a mistake was made some weeks ago when issue was made of the matter when the Senate had before it a bill which did not, in my judgment, protect the public interest so far as the criminal statute is concerned.

Mr. ROBERTSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. ROBERTSON. What else is in the bill beside the w. o. c. question?

Mr. MORSE. There is a great deal in the bill besides that, so far as defense mobilization is concerned.

Mr. ROBERTSON. Is there any necessity to adopt the conference report, or is it an inconsequential matter as to whether or not we defeat the proposed legislation?

Mr. MORSE. I am sure the administration would think it is consequential, because the administration, through Dr. Flemming and through the Secretary of Commerce, has made strong presentations for this bill. If we take the testimony of Dr. Flemming, which was given at some length, and that of Secretary Weeks, which was given at some length, they think it is a good bill. It does not affect the so-called reserve program for businessmen. Businessmen in the so-called reserve are not affected at all by this amendment.

Mr. ROBERTSON. Is it not legislation which the President urged us to pass as being very necessary?

Mr. MORSE. That is correct.

Mr. ROBERTSON. Has not the original legislation already expired? Whatever was in the Defense Production Act is now dead.

Mr. MORSE. I think the corpse is sufficiently warm so that if we can pass the bill tonight we can resuscitate it.

Mr. ROBERTSON. It expired on Sunday, and this is to keep it alive; is that correct?

Mr. MORSE. The Senator knows that by passing this bill we will bring it back to life. Therefore, I think we should not get into a heated controversy about it tonight. I think we should agree to the conference report and then, in January, adopt amendments, if they seem wise.

The PRESIDING OFFICER. The question is on the motion of the Senator from Indiana to recommit the conference report, with instructions.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

PROPOSED SUGAR LEGISLATION—NOTICE OF MOTION TO SUSPEND PARAGRAPH 3 OF RULE XIV AND PARAGRAPH (A) OF PARAGRAPH NO. 1 OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. LONG. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention hereafter to move to suspend paragraph 3 of rule XIV and paragraph (h) of paragraph numbered 1 of rule XXV of the Standing Rules of the Senate, to the end that it may be in order to move that the Senate proceed to the consideration of the bill (H. R. 7030) to amend and extend the Sugar Act of 1948, as amended, and for other purposes, without a reference of the bill to the Senate Committee on Finance.

Mr. President, I am giving this notice in order that it may be possible for the Senate to consider the Sugar Act before Congress adjourns. I know there is an emergency insofar as the sugar industry of the South is concerned, particularly in the State of Louisiana. I believe there is some distress in the sugar industry in some of the western areas. It is necessary to enact legislation for the benefit of many thousands of individuals engaged in the production of sugarcane in Louisiana, and perhaps for the relief of farmers in some of the Western States which produce sugar beets. It is necessary to suspend the rules because of the delaying tactics on the floor of the Senate which prevent the measure from being considered in the usual manner.

I realize that some of our friends think we should let foreigners produce all the sugar, but that is not the judgment of the majority of the membership of this body, and it is not the judgment of any substantial minority. When a hardship exists in some areas of the country, I think it is vital that it be relieved at this session of the Congress.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. DOUGLAS. The Senator is aware that I have the highest personal opinion of him, which I have expressed countless times in his home State.

May I ask my good friend if he will state what is the practical effect of his motion? I am not so skilled a parliamentarian as is the Senator from Louisiana, and I should like to know whether it is the Senator's intention to ask for a suspension of the rules tonight or tomorrow?

Mr. LONG. The rules require that notice of a motion to suspend the rules be given at least 1 day in advance. Therefore, I am giving notice that tomorrow or thereafter, before Congress adjourns, I intend to move to suspend the rules.

I should like to say to my good friend from Illinois, for whom I have the highest admiration, that a situation exists in the sugarcane industry which requires some relief. The Federal Government does not buy sugar as it buys wheat or corn in the State represented by the able Senator from Illinois. It happens that the weather has been rather favorable to the production of sugar, and private financing is required to carry large amounts of sugar over from year to year. In order to obtain the private financing required to carry over the sugar and prevent it from going to waste, it is necessary to amend the Sugar Act to provide some relief for the domestic industry.

Mr. DOUGLAS. I wonder if the Senator from Louisiana would inform me whether the present Sugar Act expires this year or continues until 1956.

Mr. LONG. The act does not expire this year, but an amendment is necessary because of the large surplus of sugar, even though the sugar producers are subject to acreage limitations. When there is such a limitation with regard to other products, the Federal Government moves in and finances the carrying of the surpluses.

Mr. DOUGLAS. The Senator from Illinois admires the Senator from Louisiana for his qualities; and one of his qualities is the frankness with which he always speaks. The Senator from Louisiana does not deal under the table.

I wonder if the Senator from Louisiana would inform the Senate whether the hearings held in the House on this matter were printed.

Mr. LONG. I am not familiar with the situation that existed in the House. I know the proposed legislation was delayed interminably. It has been held up almost this entire session.

This is the type of legislation which must originate in the House. The Senate, which has a similar Senate bill having 49 sponsors, had to wait until the closing days of the session before the bill came from the House. As a matter of fact, the House bill is presently at the desk not yet referred to the committee.

Mr. DOUGLAS. The Senator from Illinois read the CONGRESSIONAL RECORD on Sunday, when he was somewhat fatigued following the long conferences which we have been having. Representative COOLEY, of North Carolina, stated that the hearings had not been printed. The House had, in fact, been called upon to vote, almost in the dying hours of the session, on a bill on which hearings had not been printed. In checking up on my statement, I find I am correct and that Congressman COOLEY made the statement I have ascribed to him on page 10631 of the CONGRESSIONAL RECORD of July 30, 1955. The statement will be found on the first line of the first column.

May I ask the Senator from Louisiana whether the Senate Committee on Finance has held any public hearings on the bill?

Mr. LONG. No; public hearings have not been held on the bill, although I believe the Senator will find that if the House agrees to have the House hearings printed, they will be readily available. The hearings were conducted some time ago. I see no reason why they should not have been printed.

Mr. DOUGLAS. I have now checked, and I find that this morning my office made inquiry as to whether or not the printed House hearings could be obtained. We were told by the Committee staff that the hearings had not been printed. Being unable to obtain them, and with this statement from the staff of the House Agriculture Committee, we believe that Representative COOLEY, chairman of the House Committee on Agriculture, was correct in his statement that the hearings were not printed.

This is a bill on which the House had to act with its eyes closed, because the Members did not have the facts contained in the hearings. It is a bill which the Senate Committee on Finance has reported almost at the very last minute, without hearings.

So I believe I was justified in raising the point of order and insisting that the bill should not be acted on today. I am very glad the Senator from Louisiana has postponed the consideration of his motion until tomorrow. I suppose that means that the bill cannot be considered tomorrow except by unanimous consent, which, in my present mood, I am disposed to agree to.

Mr. LONG. No; I am now giving notice that by agreement of two-thirds of the Senate, the bill may be considered tomorrow.

Mr. DOUGLAS. Am I to understand that the Senator from Louisiana will, tomorrow, move to suspend the rules so that, without delay the Senate can proceed to the consideration of the bill, instead of doing so after the normal waiting period of 1 day?

Mr. LONG. That is correct. I should like the Senator from Illinois to know that this is a subject which has been considered by the Committee on Finance. It is proposed legislation which should have been considered at an earlier date. It is a bill which is supported by the sugar industry and the sugar producers of the United States. The bill is also supported, I understand, by the sugar processors of the United States. There is no objection to the bill by the domestic producers or by any important segment of the sugar industry of the United States.

I believe the Cubans may not like the bill very well. There may be some persons in other foreign countries who might feel that they were entitled to somewhat larger quotas. But the bill has been carefully considered; and I feel certain that when the Senators understand the provisions of the bill, it will be passed by a large majority.

Mr. DOUGLAS. Has the Senator from Louisiana consulted the consuming interests, to determine whether they favor the bill?

Mr. LONG. The Senator can assume that it is possible to purchase sugar cheaper if we do not consider the needs of the domestic sugar industry. The same principle could be applied to many industries in Illinois and other places.

But it has been congressional policy that we should have a certain amount of sugar production in the United States, so that it will be available to the Nation in time of war or other national emergency.

If one considers the real income of the American people, sugar is available more cheaply in this Nation than it is in probably any other nation in the world.

Mr. DOUGLAS. Can the Senator from Louisiana inform me on a further point? Since there may not be much time tomorrow to consider the measure, will the Senator inform the Senate whether there are price support provisions in the bill?

Mr. LONG. No; there are no price supports in the bill which will be submitted. It is the intention of the members of the Committee on Finance to submit, as a substitute for the House bill, the Senate bill, which was studied by the Committee on Finance. We had no opportunity to consider the House bill directly, but we considered the language of the House bill. The bill is not a price support bill.

Mr. DOUGLAS. What percentage of parity is the Secretary of Agriculture supposed to take into consideration in fixing the acreage of domestic sugar to be planted?

Mr. LONG. That is not involved in the recommendation which will be made by the members of the Finance Committee. Parity provisions were contained in the House bill.

Mr. DOUGLAS. Is it not true that the parity provisions for sugar in the House bill, which was endorsed by the Secretary of Agriculture, was 90 percent?

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CAPEHART. The Senator from Louisiana does not have the floor. I have the floor. I should like to make inquiry of the Senator how much longer he will take.

Mr. LONG. I have given my notice.

Mr. CAPEHART. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Indiana has the floor, and has control of his own time. He need not yield if he does not wish to.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand, the question pending before the Senate is the motion of the Senator from Indiana to recommit the conference report with instructions to delete.

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. And the yeas and nays have been ordered.

The PRESIDING OFFICER. That is correct.

Mr. MUNDT. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MUNDT. I think the junior Senator from Louisiana, with his understandable affection for the deep South, has given the implication that the sugar bill is of interest only to the producers of cane sugar.

Since it is the intention to have a vote tomorrow on the motion to suspend the rule, I should like to amplify the RECORD by saying that the bill is of great importance to those who are engaged in the beet-sugar industry in the West. I sincerely hope that the Members who are interested in the beet-sugar industry will be on hand tomorrow and that they will vote to suspend the rule, so that the Senate can consider the bill and make whatever salutary, necessary amendments may seem to be desirable, and to have the bill approved before the adjournment of Congress.

The reason for the existence of this situation is that some dilatory tactics have been engaged in by certain Members of this body, the echoes of the voices of some of whom are reverberating in the Chamber. Thus it is necessary to utilize whatever parliamentary tactics are available to have this important measure passed before Congress adjourns.

DEFENSE PRODUCTION ACT—CONFERENCE REPORT

The Senate resumed the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill

(S. 2391) relating to the Defense Production Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana [Mr. CAPEHART] to recommit the conference report with instructions. On this question the yeas and nays having been ordered, the clerk will call the roll.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Allott	Hennings	Monroney
Barkley	Hill	Morse
Beall	Holland	Mundt
Bender	Hruska	Murray
Bennett	Humphrey	Neuberger
Bush	Ives	Payne
Capehart	Jackson	Potter
Carlson	Johnston, S. C.	Robertson
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kerr	Scott
Clements	Knowland	Smathers
Cotton	Kuchel	Smith, Maine
Curtis	Langer	Smith, N. J.
Dirksen	Lehman	Sparkman
Douglas	Long	Stennis
Duff	Magnuson	Symington
Dworshak	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Fulbright	McCarthy	Young
Goldwater	McClellan	
Green	McNamara	

The PRESIDING OFFICER. A quorum is present.

Mr. SPARKMAN. I shall not delay the Senate long, Mr. President, but I wish to point out a very few matters before a vote is taken. First of all, I wish to say the report which has been submitted to the Senate represents, in my opinion, and I believe in the opinion of a majority of the conferees, the best we were able to get. Remember, this is not a matter which is wholly within the hands of the Senate conferees to decide. We certainly obtained a modified version of what the House passed. The motion is to recommit the conference report, with instructions. Remember what those instructions are—to delete this language—period. What are we going to do when we delete the language?

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLEMENTS. At this late hour of the first session of the 84th Congress, are we not in the position of having before the Senate an important piece of legislation which has been passed by both the House and the Senate, as to which there has been a little difference in version? That difference has been resolved by a majority of the conferees. If the conference report is not adopted, is there not a real chance that the bill will not be enacted at this session?

Mr. SPARKMAN. I think the acting majority leader is absolutely right, and I intend to discuss that a little later.

Mr. CLEMENTS. Will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. CLEMENTS. Is it not reasonable to suggest that if there is something in the conference report to which Senators may have slight objection, the proper procedure to follow is to adopt the conference report, since there will be ample opportunity next January to make such revisions as a majority of the Members of the two bodies may wish to make?

Mr. SPARKMAN. That is certainly correct.

Mr. CLEMENTS. That being true, it seems to me it would be good judgment and good business upon the part of the Senate to uphold the position taken by the majority of the committee of conference.

Mr. SPARKMAN. I think there can be no argument with the position taken by the distinguished Senator from Kentucky.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I have a few points I should like to make, but I yield to the distinguished minority leader.

Mr. KNOWLAND. I wish to say to the distinguished Senator from Alabama, in reference to the statement made by the acting majority leader, that it seems to me what we are seeking is sound legislation. Mr. recollection is that in every conference report which has come before the Senate during this session, or in most of the cases—I would say in probably 95 percent of the cases—reports have been signed by all the conferees of both Houses. There have been a few minor exceptions in which perhaps one member of the minority or one member of the majority has not seen fit to sign the report. This is the first conference report which has come before this session of Congress which, to the best of my recollection, has not been signed by even one minority member.

Under the circumstances, it seems to me that, in view of the extreme language which has been included in the amendment, we have the clear duty of rejecting the conference report, and returning it for a further conference, with instructions. While they are at the further conference, the conferees can get together on a straight continuing joint resolution, and the passage of that joint resolution can be pressed for.

But under the circumstances, I do not think we should be required to legislate with a gun pressed at our temples.

Mr. SPARKMAN. Mr. President, I should like to say a word.

Of course, I, for one, would never request a Senator to legislate while having a gun pressed at his temple. I do not think any Member of the Senate would make such a request.

It is true that it is unusual that not one minority member signed the conference report. I did not know that until it was about time for the report to come up. As a matter of fact, when the conference broke up, I thought most of the minority members would sign the report. No indication that they would not do so was given.

I think the present situation emphasizes a mistake which was made when the bill came up on the floor of the Senate, and was pointed out by Senators on this side of the aisle, namely, that the minority had made the question a partisan one. It should not have been a partisan one.

Furthermore, Mr. President, the time we are sending on this small item would indicate that it is the heart of the bill, whereas actually it is the smallest part of the bill.

Let me refer to the subject of the bill: It has to do with the production in the United States of greater supplies of minerals, metals, and scarce materials. So it is a production measure.

Just today, as I recall, we completed action on House bill 6373, which relates to domestic minerals. I noticed that the conferees on that measure were the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. MALONE], and the Senator from Idaho [Mr. DWORSHAK]. But that act is worthless unless the measure now before us is enacted into law. The pending measure makes it possible to put into effect the provisions of that act. That shows how important the pending measure is.

Mr. President, this measure would be capable of producing results even if not a single w. o. c. were connected with the program. Yet all the quarrel is over just one little feature of the bill, namely, the one rclating to the extent to which w. o. c.'s, drawn from industry, shall work in the Government service without compensation and, if that is allowed, the extent to which they shall report their holdings, while enjoying immunity from the conflict-of-interest statutes, in time of peace. That is the question involved there.

Let me say very frankly that it was not an easy job in the conference to get what we have here. I say in all earnestness that I believe that if the pending motion is agreed to, and if the conference report is rejected, and recommitted, with instructions to delete this language, there will be no Defense Production Act. Are we going to kill the Defense Production Act simply because of disagreement over one little phase of the bill—and not at all thc central part of it?

The central part of the act has to do with things which those who live in the mining areas, where the minerals and metals are produced, are concerned with; it does not relate to anything produced in my State. The bill does not interest me personally, except as it relates to the national security and the effort to make the United States more self-sustaining on the basis of its own resources.

Personally, I should like to see the w. o. c.'s leave the Government service. I would have them used in case of war; and in this measure we provide that in case of all-out mobilization, they shall be used, and shall then enjoy immunity from the conflict-of-interest statutes.

But in time of peace it is not necessary for us to use their services in order to obtain the production we want. After all, what we are attempting to obtain in this case is the enactment of legislation which will make it possible for the United States to obtain the production of the scarce materials, minerals, and metals that we wish to have produced in the United States, and that we need so badly. We need them now. But we would need

them much more if full mobilization were to occur.

We are asked to reject the report on the basis of only one provision, namely, the requirement that the persons who are brought into the Government service, to work without pay, shall not have immunity from the conflict-of-interest statutes in time of peace.

Mr. DOUGLAS. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Alabama yield to the Senator from Illinois?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I was interested in the Senator's statement that if the pending motion is agreed to, there will be no Defense Production Act at all.

Is it not true that the bill passed by the House was much more severe, in that it dealt with the personal relationships of the w. o. c.'s, not only with their financial interests?

Mr. SPARKMAN. The Senator from Illinois is correct.

Mr. President, I do not know just what the pending motion means. Does it mean that under no circumstances shall the Senate conferees agree to the language voted by the House, but that the Senate conferees shall, in any event, agree only to the provisions contained in the Senate version of the bill? If so, there is no need to have a further conference. The Senator from Illinois was a member of the conference committee, and he knows that to be the case.

Mr. DOUGLAS. Mr. President, will the Senator from Alabama yield further to me?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Is it not true that a majority of the House conferees made it perfectly clear that they would insist on the retention of either the language voted by the House or the Senate substitute?

Mr. SPARKMAN. I think that is true.

Mr. CAPEHART. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. In order to keep the record straight—and I know all Senators wish to have that done—it should be stated that in the conference, the conferees had hardly sat down, this afternoon, for the consideration of this matter, when the able Senator from Oregon [Mr. MORSE] moved that the Senate conferees agree to recede from the position taken by the Senate. That motion in itself was very unusual, because ordinarily the Senate conferees fight for what the Senate has voted for.

Actually, in the conference we did not spend 10 minutes on the whole matter. So the idea that the conferees on the part of the Senate fought with the conferees on the part of the House, and that the latter were very adamant, is not according to the record, in my opinion, because in the conference we did not take more than 5 minutes on this matter.

Mr. SPARKMAN. Of course, Mr. President, the Senator from Indiana is now reducing his estimate of the amount of time spent on this matter; every time he makes another estimate of the time involved, he reduces his estimate. Actually we were there a good deal longer than he has stated.

Mr. MORSE. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. MORSE. I am sure the Senator from Indiana means no misstatement of fact, but I cannot let him make the statement he has made and not contradict it.

I am satisfied that in the conference we discussed this matter for a minimum of 30 minutes. We discussed it considerably before the House conferees returned to the House, for the record vote there; and after they returned to the conference, we discussed the matter further.

This issue was discussed, in my opinion, more than any other issue before the conference; and I wish to say I completely disagree with the statement the Senator from Indiana just made regarding the discussion of this matter in the conference. He said it was discussed only 5 minutes in the conference, whereas in my judgment that statement by him will not square with the actual fact as regards the time spent in the conference on this issue.

Mr. SPARKMAN. Mr. President, I do not care to say anything further, except that if the Senate rejects the conference report, in my opinion the Defense Production Act will be dead. It expired at midnight, last night; and I am certain that we shall not be able to bring back another conference report on it.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the motion of the Senator from Indiana [Mr. CAPEHART] to recommit the conference report, with instructions to the Senate conferees to strike out the language on page 8, beginning in line 11, and continuing through line 20.

On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Georgia [Mr. GEORGE] are absent by leave of the Senate.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that the Senator from Texas [Mr. JOHNSON], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], and the Senator from Rhode Island [Mr. PASTORE], if present and voting, would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from New Hampshire [Mr. BRIDGES] is absent to attend the funeral of a friend in his State.

The Senator from Maryland [Mr. BUTLER] and the Senator from Connecticut [Mr. PURTELL] are absent on official business.

The Senator from Indiana [Mr. JENNER], the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Idaho [Mr. WELKER] are necessarily absent.

The Senator from Ohio [Mr. BRICKER] is absent by leave of the Senate, and the Senator from Iowa [Mr. HICKENLOOPER] is absent on official business, both Senators being absent on behalf of the Joint Committee on Atomic Energy.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business.

The result was announced—yeas 36, nays 34, as follows:

YEAS—36

Aiken	Dirksen	McCarthy
Allott	Duff	Millikin
Beall	Dworshak	Mundt
Bender	Flanders	Payne
Bennett	Goldwater	Potter
Bush	Hruska	Saltonstall
Capehart	Ives	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case, N. J.	Kuchel	Thye
Case, S. Dak.	Malone	Watkins
Cotton	Martin, Iowa	Wiley
Curtis	Martin, Pa.	Young

NAYS—34

Barkley	Jackson	Morse
Clements	Johnston, S. C.	Murray
Douglas	Kefauver	Neuberger
Ellender	Kerr	Robertson
Ervin	Langer	Scott
Fulbright	Lehman	Smathers
Green	Long	Sparkman
Hayden	Magnuson	Stennis
Hennings	Mansfield	Symington
Hill	McClellan	Thurmond
Holland	McNamara	
Humphrey	Monroney	

NOT VOTING—26

Anderson	Eastland	Neely
Barrett	Frear	O'Mahoney
Bible	George	Pastore
Bricker	Gore	Purtell
Bridges	Hickenlooper	Russell
Butler	Jenner	Schoeppel
Byrd	Johnson, Tex.	Welker
Chavez	Kennedy	Williams
Daniel	Kilgore	

So Mr. CAPEHART's motion was agreed to.

Mr. AIKEN. I should like to point out that the managers on the part of the Senate were not appointed according to the Senate Manual and Rules, which govern the operation of the Senate. I call attention to page 118 of the Rules and Manual of the United States Senate:

> In the selection of the managers the two large political parties are usually represented, and, also, care is taken that there shall be a representation of the two opinions which almost always exist on subjects of importance. Of course the majority party and the prevailing opinion have the majority of the managers.

As I understand, the majority of the managers on the part of the Senate not only did not represent the views of the majority of the Senate on this question, but they very readily and with almost precipitant haste agreed with the opposi-

tion. Therefore, I would say that we should have new managers appointed to represent the majority view of the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Oregon?

Mr. AIKEN. For what purpose?

Mr. MORSE. I should like to ask a question.

Mr. AIKEN. The Senator may ask a question. I yield for that purpose.

Mr. MORSE. I should like to know on what the Senator from Vermont bases his conclusion that the managers for the majority precipitantly moved to recede.

Mr. AIKEN. I am sorry. I cannot hear what the Senator is saying.

Mr. MORSE. On what does the Senator from Vermont base his statement that the managers for the majority precipitantly moved to recede.

Mr. AIKEN. I got that impression from the discussion that took place on the floor tonight.

Mr. MORSE. I am sorry.

Mr. AIKEN. As I understand, the Senator from Alabama and the Senator from Oregon and the Senator from Illinois acquiesced with the House, and the two managers representing the majority opinion of the Senate did not acquiesce in the proposal which we have just voted down again tonight by a majority vote of the Senate.

Mr. MORSE. If the Senator will permit me—although this is not a question—to explain what this member of the majority did, I shall be glad to make a statement of fact.

Mr. AIKEN. That is hardly a question. I am sure, if the Senator from Oregon takes exception to what I said, he will be able to discuss the matter on his own time. However, I say I got the impression from listening to the debate tonight that the majority of the managers on the part of the Senate did not hold out for the majority opinion of the Senate.

Mr. MORSE. I know the Senator from Vermont so well that I am sure he would not want to retain a false impression if he had an opportunity to get the right one. That is why I made my offer.

Mr. AIKEN. I am reading from the Rules and Manual of the Senate.

The PRESIDING OFFICER. The Senator from Vermont is reading from Jefferson's Manual.

Mr. AIKEN. I am reading from the Senate Manual.

The PRESIDING OFFICER. Jefferson's Manual has never been adopted as the rules of the Senate.

Mr. AIKEN. Nevertheless, it is a pretty good rule to follow. Thomas Jefferson was a great President. He was a great Democrat. Any similarity between him and his opinions and the opinion of some who would like to take control of the Democratic Party is purely coincidental, in my opinion.

I am not pushing the question. I am simply raising the question in order to call the attention of the Senate to the fact that the majority views were not represented.

Mr. SPARKMAN. I should like to ask the Senator from Vermont a question.

Mr. AIKEN. I am not asking for a decision.

The PRESIDING OFFICER. The Chair has already rendered a decision.

Mr. SPARKMAN. I believe a statement ought to be made, even though the Senator from Vermont is not pushing for a decision. If anyone wishes to take my place on the conference committee, I shall be glad to resign. As a matter of fact, there is no pleasure in serving on a conference committee. During the last 3 days I have served on the housing conference committee and on this conference committee. It has been no easy task. I do not know how the Senator from Vermont got the idea that the conferees did not represent the majority opinion of the Senate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I continue a little further? I take it he got it from one statement made in the heat of debate by the Senator from Indiana. We were there for a considerable period of time discussing the subject, when a rollcall came in the House. We broke up the conference for 45 minutes. Then we continued it. We sat there. It is true that we were working under pressure, because we had to vacate the committee room by 5 o'clock.

However, the language was added by the House. We had to consider it. We did not take the language as the House had presented it. We took a middle-of-the-road course.

I thought that is what conferences are for, namely, that they may have a free and open discussion and to have a meeting of the minds, not that they are to remain forever adamant with reference to the position taken by the Senator or by the House.

If I cared to do so—and I shall not push the point—in the conference committee meeting on the housing bill the able Senator from Indiana had hardly taken his seat when he moved to recede from the Senate action and accept 35,000 units, although the majority opinion in the Senate had voted for 135,000 units a year, plus 10,000.

I do not bring that up for the purpose of comparison. I believe he was completely within his right to do so, and I do not question it as all.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. The Senator from Alabama raised the question as to how the Senator from Vermont got the impression that the majority conferees were against the majority opinion of the Senate.

The Senator from Vermont got that impression because the RECORD shows the views of a majority of the Senate when the bill was originally before the Senate, and the majority of the conferees voted against the majority of the Senate. Was that not a logical impression for the Senator from Vermont to get?

Mr. SPARKMAN. If that is the rule that is to be laid down, how could the Senate, in naming conferees, have named a majority of the conferees on the Democratic side which represented what the Senator from Vermont refers to as the majority opinion of the Senate? There were not that many Senators on this side of the aisle who voted with the majority.

Mr. AIKEN. At the time the vote was taken, the party on the other side of the aisle was not the majority of the Senate.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. I do not see how the Senator from Vermont can split a majority of one vote. The vote in the Senate was 45 to 46.

Mr. AIKEN. In that case, the majority view should have been represented by 2 conferees, not 2.

Mr. FULBRIGHT. Why does not the Senator from Vermont move to discharge the conferees if he does not believe they represented the Senate?

Mr. SPARKMAN. I should like to point out again that this is one of the smallest parts of the bill. There were many other items in the bill which were in conflict. We came back to the Senate with the major portion of the Senate language.

There was no abject surrender, regardless of what our individual views were.

But I do not care to say anything further, Mr. President.

FOREIGN CLAIMS SETTLEMENT COMMISSION—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 27, 1955, p. 10123, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1188, Senate bill 2402.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2402) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended.

1. The spectacular technological advancements made in farming equipment and husbandry resulting in greater productivity per worker has made it possible for a great number of people to be released from the production of food and fiber for more economic and profitable employment in nonagricultural occupations.

2. Agriculture has become a technical industry, requiring larger farming units to take advantage of technological advancements which result in lower per unit costs and higher net returns. Capital requirements, therefore, are much greater today for a farmer than they were 50 or even 15 years ago.

3. This means that farmers with smaller economic units have found the going much more difficult, with the result that thousands have left agriculture over the past 50 years and many more will continue to do so in the future. If nonfarm employment offers people better income and other opportunities, then natural self-interest will dictate their migration from the farm.

4. In this process, the trend in farm size has been toward larger units, so that productive efficiencies can be increased. Obviously every small farmer in agriculture cannot obtain additional land adjacent to his present acreage without someone being displaced. There just isn't enough cropland in the United States to provide all farmers with the optimum-sized farm.

Judging the future by the past, it seems logical to assume that we shall see the number of farmers required to feed our population continued to decline for some time to come. Those who leave agriculture via the route of failure to meet competitive conditions will be the inefficient, poorly trained farmers, working farms that simply are too small to yield a satisfactory return and for which there is no hope of enlargement. We have his counterpart, as I have already indicated, in the business world, and we also have his counterpart in the labor movement. Life does not guarantee success. Neither is it Government's role to insure individual success.

There is, however, a great deal that Government can do to help many small farmers who have great potential. There are those whose farms are too small and who need additional capital on a longer term basis than private lenders can make to purchase land so that many smaller farms can be increased in size so as to become an economic unit. There are others who need help in the form of special extension service assistance. Still others need help on technical land-use and soil-conservation problems. But whatever their individual problems may be, all agricultural experts who have studied this problem seem to be in agreement that the low-income farm problem constitutes a long-range problem the solution to which will not come in a matter of a few months or years. Any program directed toward its solution must necessarily be a long-range one. It must necessarily also be one involving much more than the mere outlay of vast amounts of public funds. When all is said and done, local people through the application of local resources must find the bulk of economic answers and they admittedly are as numerous as the number of counties in which the low-income farm problem is a critical one.

President Eisenhower's low-income farm problem which was presented to the Congress several months ago is, in my opinion, a sensible approach to the problem. Basically its provisions are as follows:

1. Calls for pilot or "experience gaining" programs in 50 of the 1,000 low-income counties during the 1956 fiscal year. Results will be used to expand the program along lines with greater promise than a hit-and-miss approach offers.

2. Calls for the expansion and adaptation of agricultural extension and home economics work to meet the basic needs of low-income and part-time farm families. Part of the increased funds for extension service work included in the 1956 budget are to be used for this purpose.

3. Provides for additional credit to low-income farmers, unable to obtain credit through private channels. Farmers' Home Administration is the instrumentality. A $30 million increase in funds for this purpose has been requested.

4. Increases technical conservation service provided by USDA agencies including the Soil Conservation Service.

5. Facilities of the Department of Health, Education, and Welfare are to be used to encourage the States concerned to expand vocational training in low-income rural areas. Twelve pilot operations beginning this fall are to be started to gain experience upon which a more extensive program can be based.

8. Facilities of the Departments of Labor and Commerce and the Office of Defense Mobilization are to be used to induce the expansion of industry in low-income areas and to strengthen present employment services.

No responsible person in the light of these facts can honestly say that the Eisenhower Administration has "fiddled while Rome has burned, so far as the small farmers are concerned."

In spite of these attempts to picture the economy as being in a sad state of affairs, Mr. President, the facts indicate that the people of this country, under a Republican administration, are enjoying the greatest prosperity of all time.

1. The gross national product, which is a measure of the goods and services created by the economy over a given period of time, reached an alltime high of $375 billion during the first quarter of 1955. Preliminary estimates of the Council of Economic Advisers indicate that GNP increased an additional $8 billion on a seasonally adjusted annual rate basis, in the second quarter of 1955. GNP is now running at a rate of $383 billion a year.

2. Personal income, that money which people actually receive, increased some $2 billion in May 1955, on a seasonably adjusted rate basis. It excceded the $300 billion level for the first time in this country's history.

3. Employment, that is civilian employment, rose between early May and June to an all-time high of 64 million. This was an increase of over 1,313,000 people during the period involved. Unemployment did increase by some 190,000 people but, and this is the significant thing, it rose by less than is usual at that time of the year. So the net gain in employment was about 1,223,000 individuals.

It does appear to follow, as President Eisenhower predicted in his 1955 Economic Report last winter, that the Nation's output during 1955 "will approximate the goals of 'maximum unemployment, production, and purchasing power' envisaged by the Employment Act" (p. 24).

Mr. MORSE. Mr. President, I wish to make a very brief statement which I have been trying to make ever since the discussion of the conference report on the defense production bill. I do not want the RECORD to stand overnight with impressions in it which I am sure the Senator from Indiana and the Senator from Vermont did not intend to leave in the RECORD. It will take me only a minute or two to make that statement.

Mr. CLEMENTS. There are several matters to be taken up tonight by the Senate. Will the Senator advise me whether he will be brief in his remarks?

Mr. MORSE. I am perfectly willing to wait until the Senate has transacted its other business.

Mr. CLEMENTS. I yield to the Senator from Oregon for his brief statement.

Mr. MORSE. I am willing to let the Senate transact its other business. Then I shall make my brief statement before the Senate adjourns.

EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. BARKLEY in the chair) laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following report of a nomination was submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Margaret E. Smith, to be postmaster at Montreat, N. C.; reported adversely.

The PRESIDING OFFICER. If there be no further reports of committees, the Secretary will state the nominations under "New Reports."

UNITED NATIONS

The legislative clerk read the nomination of Harold E. Stassen to be deputy representative of the United States of America on the United Nations Disarmament Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERNATIONAL DEVELOPMENT ADVISORY BOARD

The legislative clerk read the nomination of Eric A. Johnston to be Chairman of the International Development Advisory Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE AIR FORCE

The legislative clerk read the nomination of Dudley C. Sharp to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service of the United States of America.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. Without objection, the nominations are agreed to en bloc.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Paul W. Williams to be United States attorney for the southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the nominations in the Army be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. CLEMENTS. I ask unanimous consent that the nominations of postmasters be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. CLEMENTS. Mr. President, I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified of the nominations confirmed today.

SECURITIES AND EXCHANGE COMMISSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of the nomination of Harold C. Patterson to be a member of the Securities and Exchange Commission.

The motion was agreed to; and the Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

THE DEFENSE PRODUCTION ACT CONFERENCE

Mr. MORSE. Mr. President, now, on by own time, I wish to make a brief statement on the discussion which was held on the other side of the aisle earlier this evening, to which I did not get an opportunity to reply. The discussion concerns what transpired in the conference committee today on the Defense Production Act. I refuse to believe that the Senator from Vermont [Mr. AIKEN] wished to leave in the RECORD the impression which is there now as to the conduct in the conference of the majority of the conferees; nor do I think the Senator from Indiana [Mr. CAPEHART] would want to leave in the RECORD the impression which is now there unless the statement I now make is put in by way of rebuttal.

The conference on the Defense Production Act proceeded immediately following the conference on the Housing Act, and in the same conference room. Some of the conferees were the same in both instances.

The staffs of the two committees had prepared a mimeographed sheet setting out the points of agreement and the points of disagreement between the Senate bill and the House bill. That mimeographed sheet showed, for example, the sections of the bill which were not in conference for the simple reason that the language in the two bills with respect to those sections was identical. The mimeographed sheet, on the other hand, showed the sections of the Senate bill which are different from corresponding sections of the House bill, and, in some instances where no such sections at all existed in one or the other of the bills.

Mr. President, that is standard procedure for conferences. There is not a man in this body who has sat in conferences who has not experienced the start of a conference on the basis of that type of comparative analysis.

Mr. President, the particular item with which we are delaying and which has caused all this discussion tonight was an item which was contained on the mimeographed sheet. We started out with the items, and the first motion was made by Representative RAINS that the House recede on item No. 1, which item represented a difference between the Senate and the House. The House conferees had, as always happens in conferences, a consultation among themselves on the House side of the conference table.

When we get to the point of receding in a conference, the motion to recede has to be made by the side that is going to do the receding. The other side does not make a motion to recede. That would be an affront. That is not the way conferences are conducted. The record of that first session will show that the first 2 or 3 recessions were moved by the House conferees. The House did the receding. Then there came a couple of items on which the Senate receded. When did we recede? We receded after we had had a consultation among ourselves. The public is likely to get an entirely false notion from the record made by the Senator from Vermont and the Senator from Indiana on this matter. I think it is due my fellow conferees that the RECORD be corrected in regard to that impression.

In these conference discussions the question we have on one side of the table is whether we are going to recede, or, as we say, "hang tough" on this one. The discussion is carried on in either whispered conversation or out loud, but not with a great amount of volume, among the conferees.

I remember distinctly with reference to the first two decisions on the Senate side, one of the motions was made by the Senator from Alabama [Mr. SPARKMAN], and the other was made by the Senator from Illinois [Mr. DOUGLAS]. But our Republican colleagues in the conference certainly agreed. There was no disagreement on that. That is the standard practice of recession in conference meetings.

Mr. LANGER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LANGER. During the 15 years I have been a Member of the Senate, Mr. President, that is the standard procedure, just as it has been described by the distinguished Senator from Oregon.

Mr. MORSE. I thank the Senator from North Dakota.

Mr. President, I am only making this statement because I do not want to leave the record stand as it stands tonight.

After those Senate recessions, there was another House recession. Then we got into the difference between the two bills with reference to the w. o. c.'s. We listened to some of the House Members. I wish to say that Representative RAINS and Representative PATMAN, at the early part of the discussion, carried the burden of the discussion. They left no room for doubt in my mind—the other conferees can speak for themselves—that they just did not intend to recede on that question.

Then there was a quorum call on the House side, which would take them back to the House, and we discussed how long we should take a recess. We were told it would take at least 45 minutes for the quorum call, and there was general agreement that we would recess for 45 minutes. At that point—and I leave it to the present occupant of the chair to check my memory, because I think the Senate would permit the Presiding Officer to make any comment he wishes to make from the chair, even though he is presiding over the Senate at this time—it was at that point that I expressed for the first time my preference for the House language over that of the Senate.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Chair would say that the Senator from Oregon is correct.

Mr. MORSE. But we did not take any action at that time. We said that during the recess we should give it further consideration and act upon it after the recess.

After the recess, the House Members made it perfectly clear, again, that they intended to insist upon the language of the House bill.

Do my colleagues on the Republican side think we should have sat there indefinitely in connection with that matter?

It was at that point that I made the motion that the Senate recede, but it was at that point that the Senator from New York [Mr. IVES] proposed some substitute language. Then there was a prolonged discussion over a series of substitutes. There was the Ives draft; there was the Douglas draft; there was a

committee staff member's draft, and I think there were 1 or 2 others before we got through with it.

We sat there in the company of our Republican colleagues and worked out a final draft with which the House would go along. I remember that on two different occasions, I said, "I still prefer the House language, but I will go along with this substitute."

We had then before us the Ives amendment and it was voted on. Then we had a motion on the part of the Senate conferees on what became of the Douglas draft modified. It was modified, as I recall, by the inclusion of some of the Ives language, language of the Senator from Alabama [Mr. HILL], and language of the professional members of our staff, who have the job of advising us in regard to the effect of language which is proposed.

I have said this, Mr. President, because in my 10 years in the Senate I have participated in a great many conferences, and I do not know of any conference in which I ever participated in which a matter in dispute received more careful consideration than did this particular matter.

But what were we confronted with? There was discussion on the Republican side of the aisle that because of the 46 to 45 vote the other day in the Senate, the 3 Democrats on the conference really did not represent the majority viewpoint in the Senate. But the Senator from Vermont [Mr. AIKEN] did not go on to say that he believes, therefore, under the rules of the Senate, that 3 Republicans and 2 Democrats should have been appointed to the conference comittee. He knows very well why that suggestion was not made. It is because under the rules of the Senate there would not have been appointed, under the circumstances, 3 Republicans and 2 Democrats.

I am glad to notice that the Senator from Vermont has arrived on the floor, because all I have been trying to do up to this point in my remarks has been to give the chronology of what happened in the conference this afternoon, and to show that the Senator from Vermont was misinformed in regard to the discussion which took place in the conference.

I had just made the point that, in my 10 years as a Member of the Senate—and I have sat as a member of a good many conference committees—I do not know of any single issue, under the circumstances of our conference this afternoon, which received more careful and objective consideration than did this particular matter.

I was making this point as the Senator from Vermont entered the Chamber: It is true that the 46 to 45 vote the other night was practically a straight-line, partisan vote. It was a partisan vote on the Republican side of the aisle, in that all Republicans, save one, voted for the Capehart amendment; and on the Democratic side all Democratic Senators save 2, voted against the Capehart amendment.

It so happened that in the floor discussion the senior Senator from Indiana [Mr. CAPEHART] had insisted upon the Capehart amendment which struck out of the bill the recommendation of the Senate Committee on Banking and Currency. The Senator from Indiana was a member of the committee of conference, and I think rightly so. I think he should have been a member of the committee of conference. But the Senator from Indiana went to the conference with a point of view, as did his Republican colleague, who voted for the same amendment, while the three Democrats held the opposite point of view.

But that is common practice in the Senate. A Senator has an obligation, no matter how he voted in the Senate on a matter. He has an obligation as a conferee to go into the conference and try to have the Senate view prevail, until he becomes convinced that he cannot succeed.

Again I say, with the senior Senator from Illinois [Mr. DOUGLAS] in the chair, he having attended the conference throughout its sessions, that when we became convinced that we could not have the Senate report prevail, we came out of the conference with a provision on this particular point which was less drastic than was the House provision. I think it is due us that this explanation be made. I do not like the record to be left tonight with the impression created that the Senator from Illinois, the Senator from Alabama [Mr. SPARKMAN], and I went to the conference and entered into some kind of collusion with the House conferees on this particular point.

After we finished with this point, we continued with the mimeographed sheet comparison, as we had on every other point.

The Senate receded on 1 or 2 more items, I think, and the House receded on 2 or 3 other items. That is the record of what happened in conference.

It is true that the two Republicans were so dissatisfied with the disposition of the w. o. c. matter that they refused to sign the report which came to the floor of the Senate tonight. What happened in the Senate tonight is now parliamentary history.

I think it is important that we have a Defense Production Act. It is important because the body of that act is so much more important than is this relatively minor w. o. c. issue that I think it would be a shame tomorrow if we did not get some bill out of the conference.

I think it is only fair to say to the Republican leadership that with the adamancy that we found among the House members of the committee of conference, I do not expect to return to the conference with very much hope that the House conferees will recede from the House language of the bill.

I appreciate a representation which was made to me by a Republican member of the Committee on Banking and Currency after the vote tonight. He came to me and said that he thought this matter had been left in a rather messy situation. He thought it was unfortunate that we had this little hassle, to use his words, and he hoped the situation would be cleared up tomorrow. He said that under all the circumstances he thought what we should try to do in conference tomorrow should be to retreat to the recommendations of the Committee on Banking and Currency as they came from the committee. I do not know whether there will be any chance of having that proposal agreed to in conference. But speaking for myself, when I go into the conference tomorrow I will do my level best to have the original recommendation of the Senate Committee on Banking and Currency agreed to, because I am satisfied that we simply cannot get the so-called Capehart amendment agreed to by the House conferees.

That is the situation in which I find myself. I have spread my position on the RECORD tonight. I serve notice on the Senate that I will go back to the conference tomorrow; and if I seen any chance at all to get something less than the House language I will try to get something less than the House language. But I tell the Senate tonight that I think the course of action which has been followed has not increased our chances of getting anything less than the House language. Nevertheless, I think it would be a shame if this session were to end with the defense production bill not having been passed.

I say to my friends from the Western States that it is of vital importance to the Western States, particularly from the standpoint of the mining feaures of the bill, that a defense production bill be passed.

I shall return to the committee of conference tomorrow, and I may say good naturedly, do what I can to help overcome what I respectfully say is the mistaken set of votes which Senators from the mining States cast tonight by turning down a bill and running the risk that there will be no bill at all. So much for that.

I shall forego until tomorrow a speech I plan to make at some length on one of the most vital issues which we are leaving unattended as we adjourn this session of Congress, namely, the welfare of the schoolchildren of America. I propose to deliver a major speech on this issue before the Senate adjourns. I hope it will not be at too late an hour tomorrow night or Wednesday morning, but the speech will be made in due course of time, because I think a record must be made. It will be a great mistake for Congress to adjourn without having passed some Federal aid to education legislation. I think Congress should pass some school-construction legislation. I think it should pass some teacher-aid legislation. I say that because, although it is difficult to say that one piece of major legislation is more important than another piece of major legislation, I am frank to say that I do not know of any legislation which is more important to the future well-being of the United States than is aid-to-education legislation.

Unless we get busy as a Congress and stop dilly-dalling and stalling on aid to education, we will cost this country the development of some brains which will be of vital importance not only to our economic welfare in the decades immediately ahead, but to our defense welfare.

I do not intend to let this session of Congress adjourn without making my record on this point; namely, that I think with the failure of this session of Congress to pass education legislation, road legislation, and social-security legislation, to name only three major pieces of legislation on which we are walking out, there is justification for the calling of a special session of Congress on October 1, and I hope President Eisenhower will call it, because, in my judgment, the President owes it to the people of the United States to call a special session of Congress on October 1 or October 15, for the purpose of the transaction of business on which Congress is walking out by failing to pass it at this session.

I feel very deeply about the debt we owe to the school children of the country and the support we should be giving to the teachers of the Nation. There, Mr. President, is a precious treasure which we should be protecting with some education legislation. I propose to discuss this matter at some length before adjournment, and I care not at what hour.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LANGER. Does not the Senator believe that Congress should stay here all during August, if necessary, to pass legislation which is badly needed?

Mr. MORSE. In view of the serious mistakes this Congress has made in connection with some of its major legislation during the past 10 days, I think an adjournment cannot be justified tomorrow night, the next night, or any other night, until necessary legislation is enacted.

Take road legislation. Merely because the Republican administration wanted the American people during the next 30 years to pay out 55 percent in interest for a 45 percent investment in roads, we have gotten in a situation where the Gore bill has been defeated. I think Congress ought to come back on October 1 or October 15 and stay in session long enough to pass the Gore bill.

Just think of it. Every road expert who appeared before the Senate committee and testified on the road situation said that not much progress could be made in reducing 36,000 or 38,000 fatalities a year on the highways without adequate highway legislation. Mass murder—that is what it is—and nothing can be done about it until roads are built which will handle the automobile and truck traffic. That is the problem. What do we do? We go back to the hustings. We ought to stay in session and give the people of the country the roads which are needed. We ought to do it without a form of sales tax.

I happen to be one who believes that roads ought to be paid for out of the general funds of the Treasury, as other Federal Government operations are paid for. I am not going to go along with the argument that if we do not yield to the sales-tax proposal, there will not be any road bill at all.

I believe in fighting for the issue. I believe in standing up and holding the feet of some persons to the fire until we get the legislation that ought to be enacted. I do not believe in quitting. I am not a quitter. And I want to say I think Congress is quitting on its responsibilities in reference to major pieces of legislation. I name them again: schools, roads, and social security. That list can be added to, but those are three measures which ought to keep Congress in session until Christmas time, if it did the job of statesmanship called for.

Mr. President, I am not going to leave here until I make the record for my people in regard to what I believe ought to be done concerning certain legislation.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LANGER. Does not the Senator also believe there should be an agriculture bill passed, dealing with 90 percent of parity, which was passed by the House, but left high in the air?

Mr. MORSE. I think so. I said there were other pieces of legislation which should be enacted by Congress.

Mr. President, I sat here tonight and studied with the Senator from Missouri [Mr. SYMINGTON] a dramatic chart. I hope he will put it in the RECORD, and I do not want to steal his thunder. I only wish to say, and I think he would permit me to say this—that statistical chart will show what has happened in the past 2 years to the farmer and what has happened to the person who lives off dividends. The farmer's income has gone down, and the fellow who sits in a soft chair, cuts coupons, and collects dividends has seen his income go up. It is called Republican prosperity. They can have it. The people do not want it. That is not the kind of prosperity the people want. What the people want is a prosperity that is based on a broad and deep foundation of purchasing power for the consumers of America, and that means the workers and the farmers, as well as the boys with the cushion fronts.

Mr. LANGER. May I say to my distinguished friend that he did not emphasize the fact that the farmers' income has gone down, down, and down, while dividends have gone up, up, and up. If anybody thinks the farmers of this country are fooled, he is sadly mistaken.

Mr. MORSE. I think the Senator from North Dakota is quite right. The Senator has made a point which demonstrates a further reason why Congress should reconvene on October 1.

Mr. LANGER. I may say it demonstrates a reason for Congress to stay in session.

Mr. MORSE. I am willing to stay, but the Senator and I are realists. We know this steamroller could not be stopped now. It could not be stopped with a hundred barricades. The Members of Congress are bound to leave. But we ought to make the RECORD, and make it clear to the American people that Congress ought to meet again about October 1.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I surely wish to concur with the Senator's observation about the importance of the legislative program that has yet to be enacted. Does not the Senator from Oregon believe that the time is at hand when the duration of the sessions of this Congress, or of any Congress, should be based upon a year-round schedule of legislative activity? By that I mean, since the fiscal year ends on June 30, the requirements naturally are to get the appropriations through by then and on the President's desk.

Mr. MORSE. I may say Members of Congress are paid to do a year's work. We ought to stay here and do it.

Mr. HUMPHREY. I would suggest that following enactment of appropriation bills and whatever other legislation can be enacted up to the last day, the end of July, it might be well for the Members of Congress to take off 1 month, or 45 days, and go back to their constituencies, because that, too, is a part of the representative government process. I sometimes feel that when a Member of Congress does not get home to his contituency, he hears the wrong voices. He hears the voices of the tabloids, he hears the voices of the editorial columns, and he hears the voices of the headlines, rather than the voices of the people.

Mr. MORSE. And the voices of the w. o. c.'s.

Mr. HUMPHREY. I accept that amendment to my general suggestion.

Then Congress could come back in session on, let us say, a date such as the 15th of September, and continue on with the legislative process through the end of the year.

I mention this, and say this in all sincerity, because it is becoming more and more important for the Congress to be in session for the purpose of participating in the foreign policy decisions of the Government. All too often we hear people in the Government say, "Well, as soon as Congress gets out of Washington, we can do this and that."

Mr. MORSE. May I interrupt to say there are forces who want to get Congress out of Washington.

Mr. HUMPHREY. There are those who do not want us to arrive in the first place.

Mr. MORSE. We "watchdog" too much.

Mr. HUMPHREY. I should like to say most respectfully that the former Senator from Ohio, Senator Taft, spoke, both privately and publicly, on this very matter of programing the work of the Congress. I should like to see Congress get to the point where it would meet in January, stay in session until July 30, recess through August until the 15th of September, and come back in session. If that were done, we would have the kind of congressional procedure, in terms of the time required for legislation, that a body such as this ought to have.

Mr. MORSE. The Senator from Minnesota is absolutely right. I am training a colt that has that much horsesense. It is commonsense. I hope Congress will adopt that kind of program in the future. I am all for it. I thank the Senator for giving support to the general position of mine that Congress ought to complete legislation before adjourning.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I always like to yield to the acting majority leader, but if he will permit me to continue a little while, I shall yield the floor.

Mr. CLEMENTS. Certainly.

DISCLOSURE OF SOURCES OF INCOME BY MEMBERS OF CONGRESS AND CERTAIN GOVERNMENT OFFICIALS

Mr. MORSE. Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], and my colleague, the junior Senator from Oregon [Mr. NEUBERGER], I introduce for appropriate reference a bill, which was cleared a long time ago, to require Members of Congress and certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their income, the value of their assets, and their dealings in securities and commodities.

I have introduced the same bill each year since 1946. I referred to it on the floor of the Senate, and a staff member came over to me later and said, "We forgot to drop it in the hopper." I said, "If that is true, get it right over here." Here it is. The names of the sponsors are on it. I introduce it tonight, and I ask unanimous consent that the statement which was put in the RECORD last year in support of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2747) to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities, introduced by Mr. MORSE (for himself, Mr. DOUGLAS, Mr. HUMPHREY, and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Rules and Administration.

The statement presented by Mr. MORSE is as follows:

DISCLOSURE OF SOURCES OF INCOME BY MEMBERS OF CONGRESS AND CERTAIN GOVERNMENT OFFICIALS

On behalf of myself, the Senator from Illinois [Mr. DOUGLAS], and the Senator from Minnesota [Mr. HUMPHREY], I introduce for appropriate reference a bill which would require Members of Congress and other top Government officials to file reports disclosing their sources of income, receipt of gifts, assets held individually or with another person, transactions in securities and commodities, and all funds, in whatever form, subject to their use.

I believe that the American people would feel very much more assured that there was not corruption in Government if high Government officials, including Members of Congress, were required to make public the sources and amounts of their incomes. I believe further that no man should run for public office unless he is willing to disclose to the American people the source of his income.

Since 1947 I have introduced measures to accomplish this purpose. Congress has taken no action on any of them. But the time has come for decisive action to be taken. The American people demand and deserve it.

This bill is an amplification of S. 2284 which I introduced for myself, and Senators DOUGLAS and HUMPHREY in October 1951. This new bill extends the proposed reporting requirements to gifts, all jointly held property, and funds available for the use of officials whether or not such funds constitute income for tax purposes. In addition, it is provided that the Comptroller General, who would be the custodian of such reports, issue regulations to insure that the reports would be available for public consumption, but not for private use.

The bill (S. 334) to require Members of Congress, certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities, introduced by Mr. MORSE (for himself, Mr. DOUGLAS, and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on Rules and Administration.

BENEFITS OF RECENTLY AMENDED CIVIL SERVICE RETIREMENT ACT

Mr. MORSE. Mr. President, my last request, and I shall then bid you a fond goodnight, is a unanimous consent request that there may be printed in the RECORD a letter which I received from the associate editor of the Postal News.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER OF THANKS TO SENATORS WAYNE MORSE, OF OREGON; JOHNSTON, OF SOUTH CAROLINA; NEELY, OF WEST VIRGINIA; PASTORE, OF RHODE ISLAND; MONRONEY, OF OKLAHOMA; HENNINGS, OF MISSOURI; SCOTT, OF NORTH CAROLINA; NEUBERGER, OF OREGON; LANGER, OF NORTH DAKOTA

UNITED NATIONAL ASSOCIATION OF POST OFFICE CLERKS,
New York, N. Y., July 21, 1955.

SIRS: On behalf of the female employees of the Post Office Department of New York City, permit us to go on record with a vote of thanks to all of you honorable gentlemen, who have given consideration to an inequality of the civil service retirement act, which has been a source of worry, fear, and anxiety to the mothers in this service, who through necessity have been either the main breadwinners or contributed a greater part toward the support of their families.

With the passage of this legislation we will be assured that our children will receive the same benefits as surviving children of our male coworkers and with one more major fear eliminated from our minds will be able to give even greater support to the needs of the Service.

Respectfully yours,
CECILIA R. COHAN,
Associate Editor, UNAPOCS Postal News.

LEAVES OF ABSENCE

On request of Mr. CLEMENTS, and by unanimous consent, Mr. ANDERSON, Mr. PASTORE, and Mr. HICKENLOOPER were excused from attendance on the sessions of the Senate during the remainder of the present session.

ORDER FOR ADJOURNMENT TO 10 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, the acting majority leader is about to move that when the Senate completes its labors tonight, it stand in adjournment until 10 o'clock in the morning.

I should like to have the advice of the Presiding Officer on one point: On tomorrow, when the Senate convenes in executive session, will there be any preliminaries? In short, will there be a morning hour, following completion of the Senate's action on the Executive Calendar? I have in mind ascertaining whether any other matters are to come up during the executive session, except the executive business pending before the Senate when the session tonight ends.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Chair is advised that during the executive session, reports on nominations from the President can be considered; but, otherwise, during the executive session on tomorrow the Senate will consider the nominations now lying before this body; and upon the conclusion of the executive session, the Senate will then go into legislative session.

Mr. CLEMENTS. I take it, then, that only executive reports will then be in order, but not reports in legislative session.

The PRESIDING OFFICER. That is correct, so long as the Senate remains in executive session.

Mr. CLEMENTS. Then, Mr. President, I ask unanimous consent that when the Senate completes its labors tonight, it stand adjourned until tomorrow, at 10 o'clock a. m.

The PRESIDING OFFICER. And in executive session?

Mr. CLEMENTS. In executive session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REA ATOMIC ENERGY PROGRAMS

Mr. HUMPHREY. Mr. President, I hold in my hand an article written by the noted columnist, Thomas L. Stokes, and published several days ago in the Washington Evening Star. The title of the article is "Sale of A-Power Bears Watching."

The subhead is "Law Assuring Nonprofit Groups of Priority Is Bypassed by AEC."

I read two paragraphs of the article:

Among the protective clauses was a guarantee of preference for nonprofit groups—the municipalities and other public agencies, as well as rural electric cooperatives—in the sale of atomic energy from publicly owned projects, such as is already required by law in the case of electric power from public hydroelectric projects.

We thought that was all fixed and settled. But no necessarily, evidently.

Mr. President, the article refers to decisions currently being made by the Atomic Energy Commission in regard to the utilization of nuclear power for the purpose of the development of electric energy.

I am particularly concerned with these decisions, because in the last month the first program for the devolpment of electric power from atomic energy by a rural electrification plant was presented to the Atomic Energy Commission by the Rural

Elcctric Cooperative Power Association of Elk River, Minn. The program for a nuclear reactor for purposes of the generation of electric energy was developed by one of the largest engineering firms in the United States, one which for years has had a research contract with the Atomic Energy Commission.

It was the privilege of the Minnesota congressional delegation about 1 week ago to meet with the directors and staff members of the Atomic Energy Commission, to discuss the project. During the discussion the counsel of the Commission, in answer to qucstions by Members of the congressional delegation, indicated that in his opinion the law was not very clear as to whether the Commission could provide a pilot plant for an REA, and whether there could be a cooperative arrangement between the REA and the Atomic Energy Commission.

Certainly, Mr. President, I shall not burden the RECORD by reading at this time considerable portions of the documents I have before me. However, I point out that the documents have not been on my desk all day just so I could lean on them.

In order to help the fine legal staff of the Atomic Energy Commission, I shall just give references, because if there is one thing which I understand in connection with congressional deliberations in the last few years, it is what happened during Senate consideration of the Atomic Energy Act of 1954. On that occasion I stood at this desk—as the distinguished acting majority leader, then the minority leader, will remember—and talked during at least 5 days and nights. The newspapers referred to that procedure as a "slowdown" or a filibuster or whatnot; but the fact is that by that process we rewrote the conference report which had been brought to us; and after once rejecting the conference report, on the second round we reached agreemcnt.

I call to the attention of the staff of the Atomic Energy Commission the so-called Johnson amendment, submitted here by our distinguished and esteemed former colleague, Senator Ed Johnson, of Colorado, now the distinguished Governor of that State. I point out that the meaning of the amendment he submitted was clear and precise, and was explained over and over again.

The copies of the CONGRESSIONAL RECORD which are on my desk, and to which I wish to refer, contain the proceedings of the 83d Congress, 2d session, from July 19 to July 31; and in addition, I have available other RECORDS which I shall mention, which indicate exactly what that section of the law means.

Of course, it so happens that when a lawyer wishes to find a reason for not doing something, he seems to be able to find one; and, similarly, when a lawyer wishes to find a reason for doing something, he seems to be able to find one.

I wish to help the attorneys of the Atomic Energy Commission come to a decision which will be just and fair and within the spirit and intent of the law which was passed by Congress.

Therefore, first I shall refer to the conference report.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I should like to ask only one question, because I know both of us wish to have the session tonight end rather soon.

The Senator from Minnesota has raised a point of great importance for the RECORD. Last year, when the prolonged debate on the atomic energy bill was occurring in the Senate—and let me say that so far as I am concerned, we then engaged in a filibuster, but for a good purpose, namely, that of adding to the bill, amendments which in my judgment never would have been added to the bill except for the filibuster—does the Senator from Minnesota recall that when we got into consideration of the Dixon-Yates matter, we had considerable debate on the importance of permitting the Atomic Energy Commission to enter into just the kind of an exercise of authority that I understand now, from the Senator from Minnesota, the lawyers in the Commission think it does not have authority to enter into?

Mr. HUMPHREY. That is correct; and let me say there were 9 days of debate on this very item.

Mr. MORSE. The Senator from Minnesota will recall, will he not, that he was one of the leaders in that discussion, and particularly on this spccific point?

Let me say that I remember very clearly—and, although I have not checked the RECORD, yet I am pcrfectly willing to have my power of rccollection tested as regards what I now say—how the Senator from Minnesota pointed out the importance of having us protect future generations of Amerieans, in respcct to their atomic-energy rights, so as to see to it that atomic energy was not taken over by a selected, selfish few in the United States, but, instead, that the Governmcnt retain a considerable amount of control over it. Is not that the position the Senator took?

Mr. HUMPHREY. That is correct.

Mr. MORSE. I should like to end my questions on a somewhat less serious note: Does the Senator from Minnesota agree with me that there are quite a few Republican Members of the Senate who would like to have that debate on Dixon-Yates occur all over again, so that—if they had that chance—at this time they might vote somewhat differently from the way they voted then? [Laughter.]

Mr. HUMPHREY. I will say to thc Senator that if this period of the political history of the Senate could be relived, there would be many happy souls which tonight are troubled. They would have a chance for redemption—politically, I mean—and an opportunity to sleep with a little more comfort and ease.

The Senator from Minnesota was reciting what he thought were the pertinent referencss.

I invite the attention of the Members of the Senate to the debate on July 21, 1954, on page 10772 of the CONGRESSIONAL RECORD, in the first column. The amendment of Senator JOHNSON of Colorado is thcre reported. That amendment is section 45 of the Atomic Energy Act of 1954. It reads:

SEC. 45. Electric power production:

(a) The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices. Electric power not used in the Commission's own operations shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944.

It goes on to point out, under subsection (b):

b. The Commission may undertake any or all of the functions provided in subsection 45 a., through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction, and operation of nuclear power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption.

That is plain language—namely, that thc rural electrification projects are not denied, under this law, the right to produce. Furthermore, in subsequent amendments to the Atomic Energy Act, the Atomic Energy Commission is authorized to engage in pilot plant operations and demonstrations. I refer, for purposes of the RECORD relating to this very matter, to pages 10921 to 10923, 1163, and 11202, in the same RECORD to which I have previously referred.

With respect to the Gillette amendment, which applied to the disposition or utilization of electrical energy, giving preference to the public bodies and REA's, I refer the Atomic Energy Commission's legal staff to page 10924 of the debates on July 22, in the CONGRESSIONAL RECORD, on the question of the interpretation of the Senator from Minnesota as to what was developing in the debates. My recollection is that I was the author, or the cosponsor of 7 of the 13 amendments. I refer to pages 11312 and 11313 of the RECORD of July 24, 1954. I shall not go into detail. I merely give the references.

Furthermore, I should like to refer to the conference report, as it was finally approved, with respect to section 44, dealing with the disposition of energy, at page 13876 of the CONGRESSIONAL RECORD for August 16, 1954.

I make these references because I wish to serve warning upon the Atomic Energy Commission, in a most friendly and respectful manner, that it is not the intention of the junior Senator from Minnesota to permit this law, which was carefully, meticulously debated, at length and in detail, to be misinterpreted by some legal trickery—and that is the

84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1630

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955

AUGUST 2, 1955.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2391]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Defense Production Act Amendments of 1955".*

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States."

SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof a new subsection as follows:

"(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials."

SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: Provided, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration, their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "Provided, however, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment

used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 7. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(4) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283,

284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(5) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"(6) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register for publication in the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer, and the appointee shall file with such Division for publication in the Federal Register a statement listing the names of any corporations of which he is an officer or director or within 60 days preceding his appointment has been an officer or director, or in which he owns, or within 60 days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within 60 days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such 60 day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

"(7) At least once every three months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

"(8) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment."

SEC. 8. Section 710 of the Defense Production Act of 1950, as amended, is further amended by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and by inserting after subsection "(d)" a new subsection as follows:

"(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99)."

SEC. 9. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

SEC. 10. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

SEC. 11. The provisions of this Act shall take effect as of the close of July 31, 1955.

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

JOHN SPARKMAN,
PAUL H. DOUGLAS,
WAYNE MORSE,
HOMER E. CAPEHART,
IRVING M. IVES,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

POLICY OF THE ACT

The Senate bill contained a provision which would amend the declaration of policy of the act so as to include among its purposes specific reference to the development of preparedness programs in order to reduce the time required for full mobilization in the event of an attack on the United States. A similar provision was not included in the House amendment as such preparedness measures were considered to be implicit in the objectives of title III of the act. However, because our mobilization effort has reached a stage in which increasing emphasis is being placed on preparedness measures to eliminate the remaining bottlenecks to the achievement of productive capacity more nearly adequate for full mobilization, the committee of conference is of the opinion it is proper to include reference to the development of preparedness programs in the statement of policy of the act. Accordingly the conference substitute includes this provision of the Senate bill.

SUBSTITUTE MATERIALS

Title III of the act authorizes the use of various incentives to expand productive capacity and supply needed for the mobilization base. While much has been accomplished toward reducing the threat of wartime shortages of strategic and critical materials for defense programs, there still remain certain critical items the supplies of which would remain inadequate to meet our full national requirements under full mobilization. The Senate bill contained a provision, which was not included in the House amendment, authorizing the President, upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, to make provision for the development of substitutes for strategic and critical materials when in his judgment it will aid the national defense. The committee of conference believes that it is desirable to spell out this authority specifically and has included this provision of the Senate bill in the conference substitute.

SHARE OF SMALL BUSINESS IN PROCUREMENT

The Senate bill added a new subsection (d) to section 701 of the act. Under the provisions of this new subsection the Office of Defense Mobilization is directed to make a study of the share of defense contracts which has gone to small business, review existing procedure for increasing participation by small business, and within 6 months make a full and complete report with recommendations for further

action to increase the share of procurement going to small business. The House amendment did not contain a similar provision. The conference substitute includes this provision of the Senate bill.

VOLUNTARY AGREEMENTS

Section 708 of the Defense Production Act authorizes the President to exempt from the operation of the antitrust laws combined actions of private parties when in accordance with a voluntary agreement which he has found to be in the public interest as contributing to the national defense. Both the Senate bill and the House amendment established more restrictive criteria under which such authority could be used. The Senate bill permitted both new and existing voluntary agreements covering exclusively military items to continue in effect, and permitted existing nonmilitary agreements to continue in effect subject to review by the Attorney General within 90 days to determine whether or not they should be terminated. The House amendment permitted the continuance of new and existing voluntary agreements covering primarily military items but terminated the antitrust exemption for existing nonmilitary agreements. Under provisions of the House amendment the Attorney General would review existing military voluntary agreements within 90 days and determine if the antitrust exemption should be terminated with respect to such agreements.

The conference substitute follows the language of the House amendment but includes the provision of the Senate bill which allows existing nonmilitary voluntary agreements to continue subject to review by the Attorney General within a period of 90 days to determine whether or not such agreements should be terminated or continued.

EMPLOYEES SERVING WITHOUT COMPENSATION

Section 710 (b) of the act authorizes the President, to the extent he deems it necessary and appropriate, to order to carry out the provisions of the act and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation and to exempt such persons from the conflict-of-interest statutes. Both the Senate bill and the House amendment contained provisions which would amend this subsection and spell out in more detail the conditions governing employment of such personnel. Essentially, the new provisions would incorporate into law provisions now contained in Executive Order 10182 with certain modifications and additions.

The House amendment contained a provision which was not included in the Senate bill under which an employee serving without compensation would be required to file under oath and with the head of his employing agency a full report of his outside connections within a period of 12 months preceding his appointment and file monthly thereafter any changes in such outside connections so long as his appointment is in effect. The conference substitute includes a modified w. o. c. reporting requirement under which—

the appointee shall file with the Division of the Federal Register for publication in the Federal Register a statement listing the names of any corporation of which he is an officer or director or within 60 days preceding his appointment has been an officer or director, or in which he owns, or within 60 days preceding his appoint-

ment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within 60 days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such 60-day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

The House amendment contained a provision under which the waiver of the conflict of interest statutes for a w. o. c. employee would not apply in connection with the making of any recommendation or the taking of any action for Government relief or assistance under the provisions of the act made by the private employer of the appointee or any company in which the appointee had any direct or indirect interest. The Senate bill contained a similar provision except that it did not limit the action to that taken "under the provisions of the Act." The conference substitute follows the Senate bill in this respect.

The Senate bill included in its amendment of this section of the act a provision of existing law allowing w. o. c. employees transportation expenses and not to exceed $15 per diem in lieu of subsistence while such employees were away from their homes pursuant to their appointments. No similar provision was contained in the House amendment. The conference substitute includes this provision.

EXECUTIVE RESERVE

The Senate bill contained a provision which was not included in the House amendment, which would add a new subsection to section 710 of the act under which the President would be authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Provision was made for the customary payments in lieu of subsistence and the President would be authorized to provide by regulation for the exemption of such members from the conflict-of-interest statutes. The conference substitute includes this provision of the Senate bill.

EFFECTIVE DATE OF EXTENSION

The conferees included a provision to the effect that the extension would be effective as of the close of July 31, 1955. This will keep in effect all orders, regulations, and other issuances of the agencies and all the provisions of the act, as though the extension had been enacted without a gap. It is understood, of course, that the retroactive effect of the provision does not apply with respect to actions which would have been violations of regulations or statutes, if there had been no lapse. Such retroactive effect would conflict with the prohibition on ex post facto laws in article I, section 9, of the Constitution.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

○

cerned, I am going to support the conferees, because it is the best we can have. But, very frankly, I do it with extreme apologies to my own splendid staff and to the many gentlemen serving the Members of this House in clerical positions and other positions.

Mr. ROONEY. I wholeheartedly agree with the gentleman from California.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider was laid on the table.

(Mr. ROONEY asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. ROONEY's remarks will appear hereafter in the Appendix.]

Mr. JONES of Missouri. Mr. Speaker, I am not a obstructionist, and at the outset I want to assure the House that I do not propose to avail myself of any parliamentary maneuver which would place me in that category. While I am of the opinion that, in confomity with past practices and an accepted custom, we are moving too rapidly during the closing days of this session and, personally, I would prefer to move in a more orderly and certainly a more thoughtful manner, I nevertheless realize that I am in a minority of those who would prefer to remain on for another week, or longer if necessary, in order that we might have the opportunity to read and to study for at least 24 hours some of the measures upon which we are being called to vote here today.

In the Committee on House Administration I have opposed some of the provisions which have been placed in the conference report. Before the Rules Committee I expressed my opposition to most of the provisions which were carried in H. R. 7440, but again I was in a minority. I would like to say, however, that I do not believe I would be in this minority if more Members had the time and would avail themselves of the opportunity to study some of the conditions which prevail with relation to, not only the compensation of, but the lack of justification for, maintaining on the payroll certain individuals who during the next 5 months will be enabled to lead a leisurely, carefree life at the expense of the taxpayers of this Nation. I agree that the amount of money is infinitesimal when compared to the billion-dollar budgets with which we are concerned, but which are unbelievably large when compared to the average salaries prevailing in most of our districts.

I am not going to point out any of these situations. Most of you are acquainted with some of them, and I have yet to talk to any Member, even those who are most vigorous in their support of any legislation which would further increase these amounts who does not agree that gross inequities exist and that as individuals they would be unwilling to assume the responsibility of approving such compensation. The only justification for some of these salaries, together with the lack of responsibility and the absence of supervision of such positions during a 5-month period, is because of what has happened in another body of this Congress.

Another reason why I am not going to point out any specific situations is that I do not care to have greater publicity given to certain practices which could be used by the more critical members of the press and radio who apparently delight in calling the attention of the public to the ridiculous and seem to get great satisfaction out of any situation where Congress is subjected to the ricidule of the public. I want to be practical and I want to do anything that will help to restore the confidence of the people in the integrity of a responsible Congress.

Mr. Speaker, I do not want to do anything which would make it more difficult for any Member of Congress to render an honest, efficient service to his constituency. I deplore the fact that evidently because of a misuse of these services that some years ago, the Committee on House Administration found it advisable to place a limitation upon the use of telephone and telegraph service. I do not want to and would decline to serve on any committee which might be designated to police the action of any Member in his use of these facilities.

Likewise, I do not want to limit any Member in the employment of a staff of sufficient size, composed of intelligent, trained personnel capable of rendering a high standard of service. I am not concerned with the fact that under such a program some Members would find it necessary to employ more help in their offices than do others of us. However, I do not want to be a party to approving a system which permits payments to persons who do not work and which permits compensation on a basis other than ability and service.

Since I have told of some of the things that I do not approve of, I would now like to make some suggestions of a constructive nature, and to invite your attention to these suggestions in the hope that during the next session of Congress we can cause to be made a study which will result in a reappraisal and a readjustment of salaries among all employees of the House, including the members of our individual office staffs, committee staffs, and employees in the various departments of Congress. I want to see adequate salary increases for those who both by past performance and by the nature of their duties have demonstrated that they could not be easily replaced in a free competitive market. There is great need for a reclassification of many of the employees of the House which was partially done through H. R. 7440 but which did not reach nearly as far as it should. Some have referred to that bill as a salary adjustment act, when in fact, insofar as salaries are concerned, it is only a salary-increase bill.

Mr. BOLAND. Mr. Speaker, I am opposed to certain items in this bill. When the full Appropriations Committee considered this proposal some time ago, H. R. 7440 equalizing and adjusting certain salaries in the House of Representatives had not been reported by the Committee on House Administration and thus, there was no authorization for resulting increased expenditures. The Appropriations Committee turned down the appeal for a research assistant for Members of the House and I voted against the provision. Since that time, I have not changed my position on the matter and I am opposed to it today. It should not be jammed through in the closing minutes of this Congress. The clerical problems of the Members are, in my opinion, adequately met under present provisions of the law. The argument that another body has been more than generous in the treatment accorded its staff is pretty weak. What has been done in other places in the building is no justification for doing likewise here. Travel allowances, increased compensation and added employees affected in another body should not be the measuring stick for what we do.

With respect to the working staffs of the standing committees, I am in agreement with the recommendations of the House Administration Committee. As a former member of the Post Office and Civil Service Committee and presently a member of the Appropriations Committee, I know how difficult is the job of staff members. These empolyees are the most valuable of all on the Hill. Their advice and counsel is constantly sought. In many instances committee staffs and particularly Appropriations Committee staff members have saved millions of dollars by proper research and development of reports. They deserve increase to insure their remaining in their positions.

Finally, Mr. Speaker, I agree with the minority views expressed in the report accompanying H. R. 7440. It would be more realistic to give every Member a flat gross with no step increases and a flat sum to meet the routine expenses of their offices. I have stated before and I state now that I am not in full accord with the present system of congressional pay and the fringe expenses that go with the office.

MRS. L. O'MALLEY AND OTHERS

Mr. LANE. Mr. Speaker, I call up the conference report on the bill (H. R. 1003) for the relief of Mrs. L. O'Malley and others, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 2, 1955.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THOMAS F. HARNEY, JR.

Mr. LANE submitted the following conference report and statement on the bill (H. R. 2907) for the relief of Thomas

F. Harney, Jr., doing business as the Harney Engineering Co.

CONFERENCE REPORT (H. REPT. No. 1629)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2907) for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ": *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

And the Senate agree to the same.

THOMAS J. LANE,
E. L. FORRESTER,
WILLIAM E. MILLER,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
PRICE DANIEL,
JOHN M. BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2907) for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co., submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as passed by the House contained no limit on the amount of attorney fees. The Senate amended the bill so as to provide that no part of the appropriation in this act shall be paid to any attorney or agent. At the conference the House conferees agreed to recede from their disagreement to the Senate amendment with an amendment which will have the effect of limiting attorney fees to 10 percent of the amount appropriated by the bill.

THOMAS J. LANE,
E. L. FORRESTER,
WILLIAM E. MILLER,
Managers on the Part of the House.

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2907) for the relief of Thomas F. Harney, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

HENRY T. QUISENBERRY

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4508) for the relief of Henry T. Quisenberry, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

At the end of the bill insert:

Provided, That no retrospective benefits except medical expenses shall accrue by reason of enactment of this act for any period prior to the enactment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEFENSE PRODUCTION ACT

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 2391), the Defense Production Act, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. No. 1630)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Defense Production Act Amendments of 1955'.

"SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'DECLARATION OF POLICY

"'SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States.'

"SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials.'

"SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided*, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry.'

"SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"'(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration, their views and recommendations on ways to increase the share of procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization, in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small-business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business.'

"SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

"(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: *'Provided, however*, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act re-

quested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activitles being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencles, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.';

"(2) by inserting in subsection (d) thereof after the word 'hereunder' the following: ', or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,';

"(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: 'Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.';

"(4) by striking out from the last sentence of subsection (e) thereof the words 'at such times thereafter as he deems desirable' and inserting in lieu thereof the words 'at least once every three months'.

"SEC. 7. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

"'(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

"'(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"'(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"'(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"'(3) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"'(4) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

"'(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"'(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"'(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"'(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"'(5) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

"'(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"'(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"'(iii) that the appointee has the outstanding experience and ability required by the position; and

"'(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

"'(6) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register for publication in the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer, and the appointee shall file with such Division for publication in the Federal Register a statement listing the names of any corporations of which he is an officer or director or within 60 days preceding his appointment has been an officer or director, or in which he owns, or within 60 days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within 60 days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such 60-day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

"'(7) At least once every three months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

"'(8) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.'

"SEC. 8. Section 710 of the Defense Production Act of 1950, as amended, is further amended by redesignating subsections '(e)' and '(f)' as subsections '(f)' and '(g)', respectively, and by inserting after subsection '(d)' a new subsection as follows:

"'(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).'

"SEC. 9. Section 712 of the Defense Production Act of 1950, as amended, is amended—

"(1) by striking out '25' from the second sentence of subsection (c) thereof and inserting in lieu thereof '40'; and

"(2) by striking out '$50,000' in the first sentence of subsection (e) thereof and inserting in lieu thereof '$65,000'.

"SEC. 10. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out 'July 31, 1955' from the first sentence of subsection (a) thereof and inserting in lieu thereof 'June 30, 1956'.

"SEC. 11. The provisions of this Act shall take effect as of the close of July 31, 1955."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

JOHN SPARKMAN,
PAUL H. DOUGLAS,
WAYNE MORSE,
HOMER E. CAPEHART,
IRVING M. IVES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

POLICY OF THE ACT

The Senate bill contained a provision which would amend the Declaration of Policy of the Act so as to include among its purposes specific reference to the development of preparedness programs in order to reduce the time required for full mobilization in the event of an attack on the United States. A simllar provision was not included in the House amendment as such preparedness measures were considered to be implicit in the objectives of title III of the Act. However, because our mobilization effort has reached a stage in which increasing empha-

sis is being placed on preparedness measures to eliminate the remaining bottlenecks to the achievement of productive capacity more nearly adequate for full mobilization the Committee of Conference is of the opinion it is proper to include reference to the development of preparedness programs in the statement of policy of the Act. Accordingly the Conference substitute includes this provision of the Senate bill.

SUBSTITUTE MATERIALS

Title III of the Act authorizes the use of various incentives to expand productive capacity and supply needed for the mobilization base. While much has been accomplished toward reducing the threat of wartime shortages of strategic and critical materials for defense programs there still remain certain critical items the supplies of which would remain inadequate to meet our full national requirements under full mobilization. The Senate bill contained a provision, which was not included in the House amendment, authorizing the President, upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, to make provision for the development of substitutes for strategic and critical materials when in his judgment it will aid the national defense. The Committee of Conference believes that it is desirable to spell out this authority specifically and has included this provision of the Senate bill in the Conference Substitute.

SHARE OF SMALL BUSINESS IN PROCUREMENT

The Senate bill added a new subsection (d) to section 701 of the Act. Under the provisions of this new subsection the Office of Defense Mobilization is directed to make a study of the share of defense contracts which has gone to small business, review existing procedure for increasing participation by small business and within six months make a full and complete report with recommendations for further action to increase the share of procurement going to small business. The House amendment did not contain a similar provision. The conference substitute includes this provision of the Senate bill.

VOLUNTARY AGREEMENTS

Section 708 of the Defense Production Act authorizes the President to exempt from the operation of the antitrust laws combined actions of private parties when in accordance with a voluntary agreement which he has found to be in the public interest as contributing to the national defense. Both the Senate bill and the House amendment established more restrictive criteria under which such authority could be used. The Senate bill permitted both new and existing voluntary agreements covering exclusively military items to continue in effect, and permitted existing non-military agreements to continue in effect subject to review by the Attorney General within 90 days to determine whether or not they should be terminated. The House amendment permitted the continuance of new and existing voluntary agreements covering primarily military items but terminated the antitrust exemption for existing nonmilitary agreements. Under provisions of the House amendment the Attorney General would review existing military voluntary agreements within 90 days and determine if the antitrust exemption should be terminated with respect to such agreements.

The Conference substitute follows the language of the House amendment but includes the provision of the Senate bill which allows existing nonmilitary voluntary agreements to continue subject to review by the Attorney General within a period of 90 days to determine whether or not such agreements should be terminated or continued.

EMPLOYEES SERVING WITHOUT COMPENSATION

Section 710 (b) of the Act authorizes the President, to the extent he deems it necessary and appropriate in order to carry out the provisions of the Act and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation and to exempt such persons from the conflict-of-interest statutes. Both the Senate bill and the House amendment contained provisions which would amend this subsection and spell out in more detail the conditions governing employment of such personnel. Essentially, the new provisions would incorporate into law provisions now contained in Executive Order 10182 with certain modifications and additions.

The House amendment contained a provision which was not included in the Senate bill under which an employee serving without compensation would be required to file under oath and with the head of his employing agency a full report of his outside connections within a period of 12 months preceding his appointment and file monthly thereafter any changes in such outside connections so long as his appointment is in effect. The conference substitute includes a modified w. o. c. reporting requirement under which the appointee shall file with the Division of the Federal Register for publication in the Federal Register a statement listing the names of any corporation of which he is an officer or director or within 60 days preceding his appointment has been an officer or director, or in which he owns, or within 60 days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within 60 days preceding his appointment, a partner and the names of any other businesses in which he owns, or within such 60-day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period."

The House amendment contained a provision under which the waiver of the conflict of interest statutes for a w. o. c. employee would not apply in connection with the making of any recommendation or the taking of any action for Government relief or assistance under the provisions of the Act made by the private employer of the appointee or any company in which the appointee had any direct or indirect interest. The Senate bill contained a similar provision except that it did not limit the action to that taken "under the provisions of the Act." The conference substitute follows the Senate bill in this respect.

The Senate bill included in its amendment of this section of the Act a provision of existing law allowing w. o. c. employees transportation expenses and not to exceed $15 per diem in lieu of subsistence while such employees were away from their homes pursuant to their appointments. No similar provision was contained in the House amendment. The conference substitute includes this provision.

EXECUTIVE RESERVE

The Senate bill contained a provision which was not included in the House amendment, which would add a new subsection to section 710 of the Act under which the President would be authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Provision was made for the customary payments in lieu of subsistence and the President would be authorized to provide by regulation for the exemption of such members from the conflict-of-interest statutes.

The conference substitute includes this provision of the Senate bill.

EFFECTIVE DATE OF EXTENSION

The conferecs included a provision to the effect that the extension would be effective as of the close of July 31, 1955. This will keep in effect all orders, regulations and other issuances of the agencies and all the provisions of the Act, as though the extension had been enacted without a gap. It is understood, of course, that the retroactive effect of the provision does not apply with respect to actions which would have been violations of regulations or statutes, if there had been no lapse. Such retroactive effect would conflict with the prohibition on ex post facto laws in Article I, Section 9, of the Constitution.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
Managers on the Part of the House.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

H. R. 3120, H. R. 6804, and House Joint Resolution 389 were laid on the table.

COMMITTEE TO WAIT UPON THE PRESIDENT OF THE UNITED STATES

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 338) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed their business of the session and are ready to adjourn, unless the President has some other communication to make to them.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members on the part of the House of the committee to notify the President, the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from Massachusetts [Mr. MARTIN].

A CALL FOR ACTION ON THE HOOVER REPORT

(Mr. HIESTAND asked and was given permission to extend his remarks at this point in the RECORD, and include extraneous matter.)

Mr. HIESTAND. Mr. Speaker, both Hoover Commissions were established by the Congress to study the Executive.

They were composed of outstanding citizens of wide experience. The recommendations of the first Commission have saved literally billions of dollars of the taxpayer's money.

Now the second Commission has completed its work.

Its reports include 314 specific recommendations touching every major function of Government.

transpired since the passage of the 1948 Act, as extended in 1951.

Under the provisions of that act, as was so ably stated by the Senator from Louisiana, the whole of the increase in consumption of sugar in the United States was allocatd offshore, with none of it being allocated to the domestic industry.

Mr. President, we produce the children, and we produce the grandchildren. I notice that we have been adding to our population at the rate of 2¾ million a year. Since the last Act was passed in 1951, the natural increase in population in the United States is greater than the entire population of Cuba. Since the passage of the 1948 act the increase in the population in the United States is almost twice as great as that of the entire population of Cuba.

Mr. President, is there not some semblance of reason in our feeling that we are entitled to produce a little bit of the sugar which our own increase in population, represented very largely by our children and own grandchildren, is responsible for? Is there not some semblance of reason and equity and justice and sound commonsense in that idea?

When the hearings were held in 1948 and in 1951, witnesses made it very clear that they reserved the right to come back and ask for some of that natural increase. That is what we have done under the terms of the pending legislation.

There was a time when I was informed by some of my friends in Cuba—and I am fortunate to have a great many there—and by some friends in the United States who have interests in Cuba—and we all know that a large part of the sugar production in Cuba finds its financing in the United States—that they did not want to share the increased market, of which they had 96 percent in the United States.

However, no later than Saturday, I had a visit from those who are keeping up with the feelings of the Cubans and who are representing them professionally, and they stated that they felt we were within our rights to ask for something like the same proportion of the increase they were receiving of the normal consumption of sugar in this country.

I am happy to say that in committee, as I understand, my distinguished junior colleague [Mr. SMATHERS] offered an amendment to the House bill which made a part of the bill the suggestion of the State Department, which I understand is approved by the Cuban sugar people, and which was mentioned so clearly and so ably by the Senator from Louisiana.

I have not found the Cubans to be unreasonable people. I have found them to be good friends in time of stress. Certainly they stood by us in war, when they supplied us with more and cheaper sugar than we could have gotten otherwise at that time. I found them to be a reasonable people. As reasonable people they have come to the conclusion which all reasonable people must come to, that the United States producers of sugar are entitled to a fair share of the increased annual consumption, or the increased consumption over the years which represents our growth of population and our growth in the consumption of this very badly needed and very generally used product.

Mr. President, I wish time permitted a fuller statement on the subject. However, it does not. I shall now gladly yield to the distinguished Senator from Arkansas. First, I desired to give him at least the benefit of the trend of my own feelings in the matter, so that he could better address his questions to me. I now very gladly yield to him for such questions as he may desire to ask me.

Mr. FULBRIGHT. Mr. President, the Senator has a reputation for great fairness, integrity, and honesty. I wonder how he explains the fact that for the second time this bill was brought to the Senate and we were asked to act upon a bill which has never received any hearings at all. It is a bill which involves very large sums of money. How can the Senator from Florida justify bringing such a bill before the Senate without any hearings having been held on it?

Mr. HOLLAND. The principal justification is that the advocates of the bill have been trying to get it up since April. They have been prevented from getting it up by the House. Anyone who was reading and listening knew what was going on in the hearings in the House. Certainly the Senator from Arkansas, who is a distinguished member of the Committee on Foreign Relations, knew what were the suggestions and urgings of the State Department and others in connection with this legislation, who were certainly seeing to it that Cuba's interests were taken care of. The Senator from Arkansas knew that the Committee on Agriculture and Forestry, of which the Senator from Louisiana is chairman and I am a member, was doing its best to help the rice growers, and that the committee has done so in no small way.

It seems to me that the Senator from Arkansas, realizing that the changes in the law were very few and very simple and very reasonable, and recognizing that the great sugar farmers had spent many hundreds of thousands of dollars in building unneeded warehouses, and many millions of dollars to plow under crops which would have supplied them with sugarcane for 2 or 3 years in the future, are entitled to action, particularly when they have been waiting for a bill which has been introduced by a majority of the Senate and is supported by, I believe, more than two-thirds of the Senate.

Mr. FULBRIGHT. I believe the junior Senator from Florida is a member of the Committee on Finance.

Mr. HOLLAND. That is correct.

Mr. FULBRIGHT. Is it not rather strange that suddenly the Committee on Finance should call a meeting and report out a bill in an hour and a half, when in 6 months it could not report out a bill after hearings? I should like to have the Senator explain why, since the Senate has been in session since January, the committee did not report out a bill, after hearings, containing some reasonable explanation for the kind of subsidy that is proposed. Why was it necessary to wait until the last day of the session?

Mr. HOLLAND. The Senator from Arkansas——

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. The Senator from Arkansas knows perfectly well that it is a tax measure and that, as a tax measure, it had to originate in the House. Tax measures customarily are not considered in the Senate before we know what the form of the legislation will be as passed by the House.

The proponents also knew that there was a difficult situation involved, because of the attitude of certain Members of the House, which attitude is well known.

It would have beeen the height of folly, under such a situation, for the Senate to have assumed that it could bring out legislation which would then be adopted by the House under those conditions. Therefore, the legislation had to originate in the House, as the Senator well knows.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. Therefore, there was no more reason for holding hearings on this legislation until we knew what the form of it would be in the House, than there was any reason for the Senate to have brought out a bill when the omnibus corporation tax structure was being set up last year. We knew we had to wait until we had something specific to work on. That is what happened. I think that is reasonable. The Senator from Arkansas knows that is the customary course for such legislation to take. Ever since I have been in the Senate—although I have not been in the Senate as long as the Senator from Arkansas—I have never known of the Senate Committee on Finance to report out a finance bill ahead of consideration and report and enactment of a similar measure by the House. I believe it would be very idle for us to do so.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be happy to yield to the Senator from Louisiana.

Mr. FULBRIGHT. I thought the Senator was yielding to me. If he does not wish to pursue the matter, I shall speak on my own time.

Mr. HOLLAND. I shall be glad to yield to the Senator.

Mr. FULBRIGHT. The Senator does not wish to leave the impression, does he, that the Committee on Finance never holds hearings on a bill until it has been reported by the House? The Senator from Florida does not wish to mislead the Press Gallery, does he, about a matter as simple as that? The Senator knows very well that we often hold hearings on many bills before we know the final result in the House, especially with respect to a bill that has been reported time and time again, and about which there is no mystery.

Mr. HOLLAND. The Senator from Florida does not wish to mislead anyone

about his objective in connection with the position he is taking at this time.

I am taking the same ground I have always taken, whereas the Senator from Arkansas has changed face entirely and has moved away from the position he held in 1948 and 1951 and has taken a new position.

Mr. LONG. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. LONG. The Finance Committee is one of the most hard working committees of the Senate. It has to consider tax legislation, foreign trade legislation, and many other things. I am sure the Senator from Florida remembers that we had more than a month of hearings on reciprocal trade this year, and passed the most controversial bill passed by the Senate, involving not simply sugar, but the entire foreign trade program. The whole customs program was tied up in the committee. We had a social security bill and untold numbers of bills affecting the rights of veterans in this Nation. With all those subject matters before the committee it is difficult to get all these things scheduled for consideration. We also had under consideration the matter of increasing the debt limit of the United States, which, incidentally, was disposed of in 1 day behind closed doors, when Government witnesses explained the situation.

Mr. HOLLAND. I seem to recall that there was quite a long hearing on the tax bill. That matter was in committee a long time, and then it occupied the floor of the Senate for some time.

Mr. LONG. There was that backlog of legislation, and the chairman of the committee could, in good conscience, tell the other members of the committee who were very much interested in this matter that this measure should wait until it came over from the House.

Mr. HOLLAND. The Senator from Louisiana is correct. And, of course, the Senator from Arkansas knows prefectly well what has transpired. Everyone knows perfectly well that yesterday, for the first time, we were in a position to bring before the Senate a bill which was introduced away back in April. Since the Senator was not on the floor when I made my comment, I wish to say that we are all greatly indebted to him for the great attention he has given the matter.

Mr. President, I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I appreciate all the kind things the Senator from Florida said when he began his speech. I am grateful, too, to the senior Senator from Arkansas who has graciously stepped aside in order for me to get into the RECORD the figures which I am presenting. The Senator from Arkansas stated that the cane sugar producers are very efficient.

Based upon figures supplied by the Library of Congress, it is interesting to note that 1 ton of sugar was produced in the beet sugar industry in 1953 in only 4.22 man-days of labor in the field. Florida used 4.32 man-days to produce a ton of sugar, raw value.

The Louisiana figures were a little higher. The inference has been given out that the Cuban production is much larger than is the beet production. There was a time when that was true, but in the years between, the beet production per acre has been rising while the Cuban production has been falling.

In 1953 the production of sugar, raw pounds per acre average in the beet producing areas was 4,183, and in the same year, in Cuba, the figure was 3,833. Obviously, the difference is not in the efficiency of the system. The difference is in the cost of labor in the two countries.

In the United States the average field worker, beet and cane, in 1953 received $7.71 for a day's work. In Cuba the worker received $2.50.

The lowest-paid factory worker in American refineries in 1953 was paid $11.70 for an 8-hour day. The rate in Cuba was $4 for an 8-hour day.

I am perfectly willing to agree with the junior Senator from Arkansas that if we are willing to see the American wage standard go down the drain, there is not very much in this world that we cannot import at prices lower than we can produce——

Mr. LONG. Mr. President, will the Senator from Utah yield ?

Mr. BENNETT. I yield.

Mr. LONG. The situation makes it possible for Cuba to receive a price far in excess of the world market price. We have recognized the fact that we cannot afford to see that happen, and we do not want it to happen. So we make provision to help our neighbors in Cuba sell their sugar at a price in excess of what we would have to buy it for——

Mr. BENNETT. Mr. President, I am under an obligation to the Senator from Arkansas, and I do not want to prolong my part in the discussion.

Mr. FULBRIGHT. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. FULBRIGHT. Is the Senator saying that American workmen are so inefficient that they cannot compete with other nations of the world and they must have this artificial protection?

Mr. BENNETT. I am saying that to the extent the junior Senator from Arkansas regards our sugar industry as inefficient, he must go to the difference in wage scales to support it.

Mr. FULBRIGHT. Is the Senator saying that our people who are paid more are no more productive, or that they are less efficient? I have always assumed that our country is more productive, that it works more efficiently. I had never assumed that we are so far behind other countries that we have to be protected by artificial barriers.

Mr. BENNETT. I am sorry I cannot yield further, because I have agreed with my colleague not to prolong the discussion.

The junior Senator from Arkansas said that under the Sugar Act the American producer, over the life of the act, had reached a figure of $1,099,000,000.

It is interesting to note that because we give Cuba a preferential duty, under the same act we have donated to Cuba out of the Treasury, in terms of this preferential tariff, a little over $2 billion——

Mr. FULBRIGHT. Will the Senator repeat that last statement?

Mr. BENNETT. Over the life of the act, because we give Cuba 50 cents a ton preferential treatment over any other offshore produced sugar, it has amounted to $2 billion.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. WATKINS. I understood the distinguished Senator to say something about the Smoot-Hawley Act and the fact that pioneers in the early days started the production of sugar——

Mr. BENNETT. They started the production of cane sugar before they attempted to produce beet sugar, but that was one of the first beet-sugar-producing areas in the country, having imported their machinery from France before it was made in the United States.

Mr. WATKINS. Is it not also true that, as an overall national policy, a strong sugar industry should be developed in this country, so as to prevent the very thing which has happened with respect to rubber? The international rubber cartels levy tributes on the United States when they sell their rubber to us.

We should have a sugar industry in the United States which is vigorous, strong, and productive, so as to protect us against any combination of international groups which might try to hold us up on the question of price, which is so essential in the case of sugar.

Mr. BENNETT. I think that is true. There is no time tonight to have a lengthy discussion of the International Sugar Agreement and other related matters.

I am grateful to the Senator from Arkansas, and I appreciate his courtesy in yielding me time in which to speak.

ADJUSTMENT IN LANDS FOR RESERVOIR PROJECTS IN TEXAS

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Morning business has been concluded, and the Chair lays before the Senate the unfinished business, which the clerk will state by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7195) to provide for adjustments in the lands or interests therein for reservoir projects in Texas by the reconveyance of certain lands or interests therein to the former owners thereof.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1955—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2391) to amend the Defense Production Act of 1950, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The report will be read for the information of the Senate.

(For conference report, see House proceedings for today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, I should like to make a very brief statement in connection with the conference report.

The conferees met and carried out the instructions of the Senate, and agreed unanimously upon the following language, which I believe the Senate would like to have read at this time.

On page 10 of the bill, subsection (c) now reads as follows:

The heads of the departments or agencies making appointments under subsection (b) shall file with the division of the Public Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer.

We have included after the words "Public Register" the following words: "for publication in the Federal Register."

Then we have added the following provision:

, and the appointee shall file with such Division for publication in the Federal Register a statement listing the names of any corporations of which he is an officer or director or within 60 days preceding his appointment has been an officer or director, or in which he owns, or within 60 days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within 60 days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such 60-day period has owned, any similar interest. At the end of each succeeding 6-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

We added one further provision, a provision to the effect that the extension would be effective as of the close of July 1, 1955. This will keep in effect all orders, regulations and other issuances of the agencies and all the provisions of the act, as though the extension had been enacted without a gap. It is understood, of course, that the retroactive effect of the provision does not appply with respect to actions which would have been violations of regulations or statutes, if there had been no lapse. Such retroactive effect would conflict with the prohibition on ex post facto laws in article I, section 9, of the Constitution.

This provision simply insures continuity for the program provided for under the law.

Mr. CAPEHART. Mr. President, the conferees agreed—and I think it was a happy solution—to the deletion which we discussed last night.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ADJOURNMENT SINE DIE

Mr. CLEMENTS. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 57) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall adjourn on Tuesday, August 2, 1955, and that when they adjourn on said day they stand adjourned sine die.

Ordered, That the Secretary request the concurrence of the House of Representatives therein.

AUTHORITY TO MAKE CERTAIN APPOINTMENTS BY PRESIDENT OF THE SENATE

On motion of Mr. CLEMENTS, and by unanimous consent, it was

Ordered, That, notwithstanding the final adjournment of the present session of the Congress, the President of the Senate be, and he is hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

AUTHORITY FOR THE SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE AFTER ADJOURNMENT

On motion of Mr. CLEMENTS, and by unanimous consent, it was

Ordered, That, notwithstanding the sine die adjournment of the present session of the Congress, the Secretary be, and he is hereby, authorized to receive messages from the House of Representatives after the sine die adjournment.

AUTHORIZATION FOR THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. CLEMENTS. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 58) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That, notwithstanding the sine die adjournment of the two Houses, the President of the Senate and the Speaker of the House of Representatives are hereby authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

REVIEW OF LEGISLATIVE RECORD OF 84TH CONGRESS, 1ST SESSION

Mr. CLEMENTS. Mr. President, I ask unanimous consent to have printed in the RECORD, after final adjournment of Congress, a statement by the majority leader reviewing the legislative record of the 84th Congress, 1st session, and a separate appendix of major legislation passed by the Senate, and that the review and the legislative digest be printed as a Senate document in either 1 or 2 parts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

REVIEW OF LEGISLATIVE RECORD OF 84TH CONGRESS, 1ST SESSION (S. DOC. NO. 36)

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to have printed in the RECORD a statement by the minority leader concerning the activities of this session of Congress, together with a summary of the legislation enacted; and that I also be permitted to have printed in the RECORD a statement on Republican achievements covering the first 2½ years of the Eisenhower administration. I also ask unanimous consent that these statements which I have mentioned be printed together as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

AUTHORIZATION TO PRINT MATTERS IN THE RECORD AFTER ADJOURNMENT

Mr. CLEMENTS. Mr. President, I ask unanimous consent that Senators may be permitted to make insertions in the RECORD following the adjournment of Congress until the last edition authorized by the Joint Committee on Printing is published; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE TO SELECT FROM AMONG OTHER THAN THOSE LIVING, FIVE SENATORS, AND TO PLACE THEIR PORTRAITS IN THE RECEPTION ROOM

Mr. CLEMENTS. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution offered by the Senator from Kentucky will be stated.

Mr. CLEMENTS. Mr. President, the resolution is offered for and on behalf of the senior Senator from Texas [Mr. JOHNSON], and the minority leader and the acting majority leader join him in submitting the resolution.

Mr. KNOWLAND. Mr. President, I would suggest, in view of the fact that the resolution has not been printed, that it may be read for the information of the Senate, and we will make a rather full explanation of what the resolution is intended to accomplish.

The PRESIDING OFFICER. The resolution will be stated for the information of the Senate.

The legislative clerk read the resolution (S. Res. 145), as follows:

Whereas the reception room in the Capitol outside the Senate Chamber was originally designed to contain medallion likenesses of outstanding Americans; and

Whereas there are at present five unfilled spaces in the Senate reception room for such medallions; and

Whereas it is in the public interest to accomplish the original objective of the design of the Senate reception room without further delay: Therefore be it

Resolved, That there is hereby established a Special Committee on the Senate Reception Room, consisting of five Members of the Senate to be appointed by the President of the Senate, one of whom shall, at the time of appointment, be designated as chairman of the committee. Any vacancy occurring in the membership of the committee shall be filled in the same manner as the original appointment.

SEC. 2. It shall be the duty of the committee to select five outstanding persons from all persons, but not a living person, who have served as Members of the Senate since the formation of the Government of the United States, whose paintings shall be placed in the five unfilled spaces in the Senate reception room. The committee is authorized to seek advice and recommendations from such historians and other sources, including the general public, as it deems advisable.

SEC. 3. The committee shall report its selections of persons whose paintings shall be placed in the Senate reception room to the Senate, at the rate of one selection per Congress, the first selection not later than the close of the second session of the 84th Congress.

SEC. 4. For the purposes of this resolution, the committee is authorized to employ such assistants and to make such expenditures as it deems advisable. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. CLEMENTS. Mr. President, this resolution would authorize the creation of a temporary committee of the Senate, charged with selecting from among other than living persons, the five all-time, all-American Members of the United States Senate.

This committee, to be named by the Vice President, would be advised to seek assistance in making such selections from historians and, if the committee members so desire, from the general public.

Under the terms of the resolution, medallion likenesses of the five Senators chosen would be placed in the unfilled spaces for such medallions in the Senate reception room.

The committee is directed by the resolution to report its selection to the Senate, the first report to be made during the 2d session of the 84th Congress.

Mr. President, the activity proposed for this special committee would focus national attention on the United States Senate and its traditions and would, I believe, intensify the interest of the American people in the legislative process as carried on in this Chamber.

I respectfully urge the immediate adoption of the resolution.

Mr. KNOWLAND. Mr. President, I should like to give a little background as to the form of the resolution. The original rough draft was presented to me several days ago, and I discussed it with a number of Senators on this side of the aisle. Certain questions were raised at the time.

Last Sunday I went with my good friend and colleague, the senior Senator from Kentucky [Mr. CLEMENTS], to visit the senior Senator from Texas [Mr. JOHNSON], our majority leader, who is recovering at the hospital.

I was glad to see him coming well along the road to recovery. He was in fine spirits and interested in the activities of the Senate. He has a very deep interest in the Senate as an institution, and he thought that something of this sort would direct the attention of the country to the Senate of the United States as an institution; that not only the history departments of universities throughout the country, but schools, would be interested, perhaps holding essay contests as to why one figure of American history who had served in this body might be considered over and above another.

The points which I had originally raised and which some others of us had raised in questioning the resolution were met in a later draft. One of them was that no living Senator might be selected, for obvious reasons. We are too close to the picture, and we believed that would be undesirable.

Second, it seemed to us it would be rather unfortunate if all five selections were made by a single Congress, and for that reason we suggested that not more than one selection would be made by any one Congress—not at any one session, but by any one Congress. This would spread the matter out over a period of at least 10 years to give it some historical perspective, and, at the same time, keep up the interest among the public, the schools, the history departments of universities, and other institutions.

The suggested amendments were accepted, and the proposed resolution was redrafted.

I believe there is a great deal of merit in the resolution as it has been redrafted and is now before the Senate. I realize that this is a somewhat unusual procedure, coming, as it does, at a late period in the session. Any Senator, of course, would be entirely within his rights as an individual Member in urging or suggesting that the resolution go over. But I believe that with the safeguards which have been included in the resolution, namely, that no living Senator shall be selected, and that the selections be spread over a period of five Congresses, ample safeguards have been provided.

I personally think the idea of our distinguished majority leader is a meritorious one, and on that ground I am prepared to support the resolution, if that be the will of the Senate.

The PRESIDING OFFICER. Without objection, the resolution is unanimously agreed to.

ORDER OF BUSINESS

Mr. ELLENDER. Mr. President, may I inquire of the acting majority leader what his plans are? I do not wish to interfere with the program, but I should like to address the Senate for a while on the sugar issue.

Mr. CLEMENTS. It is the intention of the acting majority leader to have the Senate proceed to the call of the calendar. Following the call of the calendar, it is intended to consider such conference reports as are yet to be acted upon, and as much of the legislative business which is pending before the Senate as time and opportunity will permit.

Mr. ELLENDER. Opportunity will be afforded, then, to say a few words on the sugar bill; is that correct?

Mr. CLEMENTS. That is correct. Every time a measure is considered by the Senate, any Member will have ample time to speak.

Mr. ELLENDER. I could speak on the subject now, but I do not wish to interfere with the program of the acting majority leader. I wish to cooperate with him.

Mr. CLEMENTS. I sincerely appreciate the kindness and consideration shown by my friend from Louisiana in joining in the hope and the wish that we may proceed in an orderly way.

DISMISSAL OF CITATION OF CORLISS LAMONT FOR CONTEMPT

Mr. LANGER. Mr. President, on last Saturday I had inserted in the RECORD an editorial which was published in the Washington Post relating to the matter of citations for contempt of the Senate. Among those who were mentioned was Corliss Lamont.

On Friday I stated that the court had held that Mr. Lamont was not guilty of contempt of the so-called McCarthy committee.

Mr. Lamont acted courageously in taking the matter to court. I have received a copy of the decision which was rendered by the judge in the case, and I ask unanimous consent that it be printed at this point in my remarks.

Mr. MUNDT. Mr. President, I simply wish to point out that there is a difference among Dakotans in our reaction to the Corliss Lamont matter. I am today writing the Attorney General to suggest that there be a redrafting of the indictment, so as to seek to carry out the intent of the Senate in having Corliss Lamont adjudged in contempt of the Senate.

Mr. LANGER. So far as the senior Senator from North Dakota is concerned, that is entirely up to the Attorney General. My opinion is that such

Public Law 295 - 84th Congress
Chapter 655 - 1st Session
S. 2391

AN ACT

All 69 Stat. 580.

To amend the Defense Production Act of 1950, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1955". Defense Production Act Amendments of 1955.

SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows: 64 Stat. 798. 50 USC app. 2062.

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States."

SEC. 3. Section 303 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof a new subsection as follows: 50 USC app. 2093.

"(g) When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development of substitutes for such strategic and critical materials."

SEC. 4. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows: 50 USC app. 2151.

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided*, That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry."

SEC. 5. Section 701 of the Defense Production Act of 1950, as amended, is amended by adding after subsection (c) a new subsection as follows:

"(d) In order to further the objectives and purposes of this section, the Office of Defense Mobilization is directed to investigate the distribution of defense contracts with particular reference to the share of such contracts which has gone and is now going to small business, either directly or by subcontract; to review the policies, procedures, and administrative arrangements now being followed in order to increase participation by small business in the mobilization program; to explore all practical ways, whether by amendments to laws, policies, regulations, or administrative arrangements, or otherwise, to increase the share of defense procurement going to small business; to get from the departments and agencies engaged in procurement, and from other appropriate agencies including the Small Business Administration, their views and recommendations on ways to increase the share of Distribution of defense contracts.

Reports to President and Congress.

procurement going to small business; and to make a report to the President and the Congress, not later than six months after the enactment of the Defense Production Act Amendments of 1955, which report shall contain the following: (i) a full statement of the steps taken by the Office of Defense Mobilization in making investigations required by this subsection; (ii) the findings of the Office of Defense Mobilization with respect to the share of procurement which has gone and is now going to small business; (iii) a full and complete statement of the actions taken by the Office of Defense Mobilization and other agencies to increase such small business share; (iv) a full and complete statement of the recommendations made by the procurement agencies and other agencies consulted by the Office of Defense Mobilization; and (v) specific recommendations by the Office of Defense Mobilization for further action to increase the share of procurement going to small business."

50 USC app. 2158.

SEC. 6. Section 708 of the Defense Production Act of 1950, as amended, is amended—

Voluntary agreements and programs.

(1) by inserting before the period at the end of the first sentence of subsection (b) a colon and the following: "*Provided, however*, That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955.";

52 Stat. 117. 15 USC 58.

Review by Attorney General.

(2) by inserting in subsection (d) thereof after the word "hereunder" the following: ", or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based,";

(3) by inserting after the first sentence of subsection (e) thereof the following new sentence: "Such surveys, and the reports hereafter required, shall include studies of the voluntary agreements and programs authorized by this section.";

(4) by striking out from the last sentence of subsection (e) thereof the words "at such times thereafter as he deems desirable" and inserting in lieu thereof the words "at least once every three months".

SEC. 7. Section 710 (b) of the Defense Production Act of 1950, as amended, is amended to read as follows: 50 USC app. 2160.

"(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; Employment of persons without compensation.

"(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies: Appointment policies, etc.

"(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

"(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

"(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

"(3) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

"(4) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sections 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that— Exemptions. 62 Stat. 697.

"(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

"(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

"(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

"(5) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency— Written certification.

"(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

"(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

"(iii) that the appointee has the outstanding experience and ability required by the position; and

"(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

Publication of statements in FR.

"(6) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register for publication in the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer, and the appointee shall file with such Division for publication in the Federal Register a statement listing the names of any corporations of which he is an officer or director or within sixty days preceding his appointment has been an officer or director, or in which he owns, or within sixty days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which he is, or was within sixty days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such sixty-day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

Survey of appointments; report.

"(7) At least once every three months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

Transportation; per diems.

"(8) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment."

50 USC app. 2160.

SEC. 8. Section 710 of the Defense Production Act of 1950, as amended, is further amended by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and by inserting after subsection "(d)" a new subsection as follows:

Nucleus executive reserve.

"(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99)."

62 Stat. 697.

50 USC app 2162.

SEC. 9. Section 712 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "25" from the second sentence of subsection (c) thereof and inserting in lieu thereof "40"; and

(2) by striking out "$50,000" in the first sentence of subsection (e) thereof and inserting in lieu thereof "$65,000".

Ante, p. 225.

SEC. 10. Section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "July 31, 1955" from the first

sentence of subsection (a) thereof and inserting in lieu thereof "June 30, 1956".

SEC. 11. The provisions of this Act shall take effect as of the close of July 31, 1955. Effective date.

Approved August 9, 1955.